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20240628216O2

Årsredovisning
för
HelloFresh Sweden AB

559192-1274

Räkenskapsåret

2023

Innehållsförteckning

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Fastställelseintyg/ Certificate of Adoption

Undertecknad, styrelseledamot i HelloFresh Sweden AB intygar att resultaträkningen och balansräkningen fastställts på årsstämma den 24 juni 2024. Årstämman beslutade att godkänna styrelsens förslag beträffande det uppkomna resultatet.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

The undersigned, Board Member of Fresh Fulfilment AB certifies that the Income Statement and Balance Sheet have been adopted by the Annual General Meeting held on 24 June 2024. The General Meeting decided to adopt the Board of Directors' proposal regarding the allocation of the result.

The undersigned certifies that the contents of the annual report and the auditor's report are true copies of the original documents.

Bjuv, 25/6 2024,

Name: Kristian Hald

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HelloFresh Sweden AB
Org.nr 559192-1274

Styrelsen och verkställande direktören för HelloFresh Sweden AB upprättar härmed följande årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Allmänt om verksamheten
Bolaget bedriver utveckling av recept samt producerar, marknadsför och distribuerar livsmedelsprodukter.
Företaget har sitt säte i Bjuv

Väsentliga händelser under räkenskapsåret
Inga väsentliga händelser har intraffat under räkenskapsåret

Väsentliga händelser efter räkenskapsårets slut
Inga väsentliga händelser efter räkenskapsårets slut.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer
HelloFresh Sweden AB är mycket beroende av inköpspriset på grönsaker, protein, förpackningsmaterial och fraktlösningar. Tillgängligheten och priserna på ovannämnda varor är därför avgörande för det ekonomiska resultatet.

Hållbarhetsrapport
Hållbarhetsrapportering utförs och rapporteras av moderbolaget HelloFresh SE i Berlin, Tyskland.

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Ägarförhållanden

Företaget ägs till 100% av HelloFresh Nordics Aps med säte i Köpenhamn. HelloFresh Nordics Aps är i sin tur dotterbolag till HelloFresh SE, med säte i Berlin.

Flerårsöversikt (Tkr)	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	1.919.998	2.178.302	1.546.743	363.237
Resultat efter finansiella poster	-17.856	2.581	-7.281	-45.457
Balansomslutning	319.311	280.572	322.373	87.820
Soliditet (%)	46	21	14	-70

HelloFresh Sweden AB etablerades under 2019 och har sedan dess haft intensiva marknadsföringskampanjer och andra säljinitiativ som bidragit till betydande tillväxt i intäkter.

Förändring av eget kapital	Aktie-kapital	Överkurs-fond	Balanserat resultat	Årets resultat	**Totalt**
Belopp vid årets ingång	100.000	114.950.000	-68.328.502	11.889.438	**58.610.936**
Balanseras i ny räkning			11.889.438	-11.889.438	**0**
Nyemission		105.000.000			
Årets resultat				-17.855.920	**-17.855.920**
Belopp vid årets utgång	**100.000**	**219.950.000**	**-56.439.064**	**-17.855.920**	**145.755.016**

Förslag till vinstdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

fri överkursfond	219.950.000
ansamlad förlust	-56.439.064
årets vinst	-17.855.920
	145.655.016
disponeras så att	
i ny räkning överföres	56.439.064
	56.439.064

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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HelloFresh Sweden AB
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Resultaträkning

	Not	2023-01-01 -2023-12-31 SEK	2022-01-01 -2022-12-31 SEK
Rörelsens intäkter			
Nettoomsättning	2	1.919.998.289	2.178.301.896
Övriga rörelseintäkter		0	0
		1.919.998.289	**2.178.301.896**
Rörelsens kostnader			
Råvaror och förnödenheter		-1.003.777.302	-1.148.178.599
Övriga externa kostnader	3,4	-902.899.011	-996.391.674
Personalkostnader	5	-24.460.161	-13.115.177
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-7.055.454	-2.120.428
Övriga rörelseintäkter		27.781	0
Övriga rörelsekostnader		0	-7.647.315
		-1.938.164.147	**-2.167.453.192**
Rörelseresultat	6	**-18.165.858**	**10.848.704**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	7	69.518.506	22.340.904
Räntekostnader och liknande resultatposter	8	-69.208.568	-21.300.171
		309.938	**1.040.733**
Resultat efter finansiella poster		**-17.855.920**	**11.889.437**
Skatt på årets resultat	9	0	0
Årets resultat		**-17.855.920**	**11.889.437**

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HelloFresh Sweden AB
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Balansräkning

TILLGÅNGAR

	Not	31/12/2023 SEK	31/12/2022 SEK
Anläggningstillgångar			
Materiella anläggningstillgångar			
Förbättringsutgifter på annans fastighet	10	54.339.712	2.639.681
Inventarier, verktyg och installationer	11	11.302.511	657.386
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	12	0	37.336.023
		65.642.223	**40.633.090**
Finansiella tillgångar			
Investeringar i dotterföretag	13	25.000	0
		25.000	**0**
Summa anläggningstillgångar		**65.667.223**	**40.633.090**
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		63.277.649	73.472.001
		63.277.649	**73.472.001**
Kortfristiga fordringar			
Kundfordringar		8.099.190	15.364.139
Fordringar hos koncernföretag		40.707.766	312.033
Övriga fordringar		6.204.212	100.787.145
Förutbetalda kostnader och upplupna intäl	14	13.295.186	2.890.260
		68.306.354	**119.353.576**
Kassa och bank		**122.059.748**	**47.113.619**
Summa omsättningstillgångar		**253.643.751**	**239.939.197**
SUMMA TILLGÅNGAR		**319.310.974**	**280.572.287**

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HelloFresh Sweden AB
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Balansräkning

EGET KAPITAL OCH SKULDER	Not	31/12/2023 SEK	31/12/2022 SEK
Eget kapital	15,16		
Bundet eget kapital			
Aktiekapital		100.000	100.000
		100.000	**100.000**
Fritt eget kapital			
Fri överkursfond		219.950.000	114.950.000
Balanserad vinst eller förlust		-56.439.064	-68.328.501
Årets resultat		-17.855.920	11.889.437
		145.655.016	**58.510.936**
Summa eget kapital		**145.755.016**	**58.610.936**
Långfristiga skulder	17		
Provision - långfristiga		15.407.274	7.455.871
Summa långfristiga skulder		**15.407.274**	**7.455.871**
Kortfristiga skulder			
Förskott från kunder		66.299	1.549.972
Leverantörsskulder		59.948.276	79.728.955
Skulder till koncernföretag		33.262.501	58.949.136
Övriga skulder		726.627	560.905
Upplupna kostnader och förutbetalda intäk	18	64.144.981	73.716.512
Summa kortfristiga skulder		**158.148.684**	**214.505.480**
SUMMA EGET KAPITAL OCH SKULDER		**319.310.974**	**280.572.287**

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HelloFresh Sweden AB
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Kassaflödesanalys

	Not	2023-01-01 -2023-12-31 SEK	2022-01-01 -2022-12-31 SEK
	1		
Den löpande verksamheten			
Resultat efter finansiella poster	19	-17.855.920	11.889.437
Justeringar för poster som inte ingår i kassaflödet	20	7.269.261	11.454.773
Betald skatt			0
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**-10.586.659**	**23.344.211**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager		10.194.353	-16.403.205
Förändring av kundfordringar		7.264.949	-12.906.862
Förändring av kortfristiga fordringar		43.782.273	-45.144.943
Förändring av leverantörsskulder		-19.780.679	37.932.323
Förändring av kortfristiga skulder		-36.576.117	19.609.010
Förändring av långfristiga skulder		7.951.403	7.455.871
Kassaflöde från den löpande verksamheten		**2.249.523**	**13.886.405**
Investeringsverksamheten			
Investeringar i materiella anläggningstillgångar		-32.278.393	-42.356.534
Investeringar i dotterbolag		-25.000	0
Kassaflöde från investeringsverksamheten		**-32.303.393**	**-42.356.534**
Finansieringsverksamheten			
Nyemission		105.000.000	0
Upptagna lån		0	-118.687.511
Kassaflöde från finansieringsverksamheten		**105.000.000**	**-118.687.511**
Årets kassaflöde		**74.946.130**	**-147.157.640**
Årets kassaflöde			
Likvida medel vid årets början		47.113.619	194.271.259
Likvida medel vid årets slut		**122.059.749**	**47.113.619**

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Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Årsredovisningen upprättas för första gången i enlighet med BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). Övergången till K3 har inte föranlett några ändringar i resultaträkningen, balansräkningen, kassaflödesanalys eller noter och någon effekt i det egna kapitalet har med anledning av övergången till K3 inte uppkommit.

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningsprocent tillämpas:

Inventarier, verktyg och installationer	3 - 5 år
Förbättring på annans fastighet	5 - 10 år
Övriga materiella anläggningstillgångar	8 år

Finansiella tillgångar
Investeringar i dotterföretag redovisas och värderas till anskaffningsvärde.

Finansiella tillgångar och skulder
Bolaget värderar finansiella instrument utifrån anskaffningsvärdet enlighet med K3, kapitel 11. Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

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Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Varulager
Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

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Ersättningar till anställda

Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Uppskattningar och bedömningar

Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

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Not 2 Nettoomsättningens fördelning

	2023	2022
Nettoomsättningen per geografisk marknad		
Sverige	1.250.141.284	1.520.596.068
Danmark	666.050.772	653.345.134
Norge	610.558	1.097.206
Tyskland	2.400.074	3.101.596
UK	0	79.205
Frankrike	879.489	0
Italien	-83.889	82.688
	1.919.998.289	**2.178.301.896**

Not 3 Leasingavtal

Årets leasingkostnader avseende leasingavtal, uppgår till 26,752,198 (27,421,079 kronor) kronor.

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2023	2022
Inom ett år	26.752.198	27.421.079
Senare än ett år men inom fem år	121.320.807	139.211.063
Senare än fem år	158.394.879	0
	306.467.884	**166.632.142**

Not 4 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2023	2022
KPMG		
Revisionsuppdrag	677.000	726.000
Revisionsverksamhet utöver revisionsuppdraget	0	
	677.000	**726.000**

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Not 5 Anställda och personalkostnader

	2023	2022
Medelantalet anställda		
Kvinnor	2	4
Män	19	10
	21	**14**
Löner och andra ersättningar		
Övriga anställda	18.166.065	8.829.548
	18.166.065	**8.829.548**
Sociala kostnader		
Pensionskostnader för övriga anställda	890.090	840.591
Övriga sociala avgifter enligt lag och avtal	5.404.006	3.445.038
	6.294.097	**4.285.629**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**24.460.161**	**13.115.177**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0%	0%
Andel män i styrelsen	100%	100%
Andel kvinnor bland övriga ledande befattningshavare	0%	0%
Andel män bland övriga ledande befattningshavare	100%	100%

Not 6 Inköp och försäljning mellan koncernföretag

	2023	2022
Andel av årets totala inköp som skett från andra företag i koncernen	8,00%	7,00%
Andel av årets totala försäljningar som skett till andra företag i koncernen	35,00%	30,00%

Not 7 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Övriga ränteintäkter	148.849	0
Kursdifferenser	69.369.656	22.340.904
	69.518.506	**22.340.904**

Not 8 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader till koncernföretag	308.612	227.721
Övriga räntekostnader	0	523.406
Kursdifferenser	68.899.956	20.549.043
	69.208.568	**21.300.171**

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Not 9 Aktuell och uppskjuten skatt

	2023	2022
Skatt på årets resultat		
Aktuell skatt	0	0
Totalt redovisad skatt	**0**	**0**

Avstämning av effektiv skatt

		2023		2022
	Procent	Belopp	Procent	Belopp
Redovisat resultat före skatt		-17.855.920		11.889.437
Skatt enligt gällande skattesats	20,6	3.678.319	20,6	-2.449.224
Ej avdragsgilla kostnader		-819.892		-330.398
Effekt av ej utnyttjade underskott		-2.858.427		2.779.622
Redovisad effektiv skatt	**0,00**	**0**	**0,00**	**0**

Not 10 Förbättringsutgifter på annans fastighet

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	2.958.979	8.005.273
Inköp	26.514.081	4.290.269
Utrangeringar och försäljningar	-217.429	-9.336.563
Omklassificeringar	31.057.283	0
Utgående ackumulerade anskaffningsvärden	**60.312.914**	**2.958.979**
Ingående avskrivningar	-319.298	-931.817
Årets avskrivningar	-5.657.528	-1.062.041
Utrangeringar och försäljningar	3.624	1.674.560
Utgående ackumulerade avskrivningar	**-5.973.202**	**-319.298**
Utgående redovisat värde	**54.339.712**	**2.639.681**

Not 11 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1.058.464	4.133.551
Inköp	5.036.849	730.242
Utrangeringar och försäljningar		-3.805.330
Omklassificeringar	7.006.203	
Utgående ackumulerade anskaffningsvärden	**13.101.516**	**1.058.464**
Ingående avskrivningar	-401.078	-1.475.677
Årets avskrivningar	-1.397.927	-993.890
Utrangeringar och försäljningar	0	2.068.489
Utgående ackumulerade avskrivningar	**-1.799.005**	**-401.078**
Utgående redovisat värde	**11.302.511**	**657.386**

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Not 12 Pågående nyanläggningar och förskott avseende

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	37.336.023	0
Inköp	727.464	37.336.023
Omklassificeringar	-38.063.486	0
Utgående ackumulerade anskaffningsvärden	**0**	**37.336.023**
Utgående redovisat värde	**0**	**37.336.023**

Not 13 Investeringar i dotterföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	0	0
Inköp	25.000	0
Utgående ackumulerade anskaffningsvärden	**25.000**	**0**
Utgående redovisat värde	**25.000**	**0**

Not 14 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda hyreskostnader	11.231.283	0
Övriga förutbetalda kostnader	2.063.903	2.890.260
	13.295.186	**2.890.260**

Not 15 Antal aktier och kvotvärde

Namn	**Antal aktier**	**Kvotvärde**
Antal A-Aktier	100.000	1
	100.000	

Not 16 Disposition av vinst eller förlust

	2023-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
fri överkursfond	219.950.000
ansamlad förlust	-56.439.064
årets förlust	-17.855.920
disponeras så att i ny räkning överföres	145.655.016
	145.655.016

Not 17 Långfristiga skulder

Bolaget har inga skulder som förfaller senare än fem år efter balansdagen.

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Not 18 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna kostnader löner inkl semester och sociala avgifter	1.724.725	1.279.127
Provision	630.516	1.567.166
Övriga upplupna kostnader	53.218.967	58.324.830
Förutbetalda intäkter från prenumerationer	8.570.773	12.545.390
	64.144.981	**73.716.512**

Not 19 Räntor och utdelningar

	2023-12-31	2022-12-31
Erhållen ränta	69.518.506	22.340.904
Erlagd ränta	-69.208.568	-21.300.171
	309.938	**1.040.733**

Not 20 Justering för poster som inte ingår i kassaflödet

	2023-12-31	2022-12-31
Avskrivningar	7.055.454	2.120.428
Omklassificeringar	-268.498	-9.308.807
Utrangeringar och försäljningar materiella anläggningstillgångar	221.053	17.046.159
växelkursjustering unrealised	261.251	1.596.994
	7.269.261	**11.454.773**

Not 21 Uppgifter om moderföretag

Bolaget är ett helägt dotterbolag till HelloFresh Nordics Aps, med säte i Köpenhamn, orgnr: 40333371, med adress Artillerivej 90, st., 2300 Köpenhamn. HelloFresh Nordics Aps är i sin tur dotterbolag till HelloFresh SE, med säte i Berlin, orgnr: HRB18238B, med adress Saarbuecker Str 37 a, 10405 Berlin, Tyskland. Hellofresh Sweden AB upprättar ej koncernredovisning då företaget och dess samtliga dotterföretag omfattas av en koncern-redovisning som upprättas av Hellofresh SE. Hellofresh SE koncernredovisning har upprättats och reviderats enligt lagstiftning som har tillkommit i enlighet med Europeiska gemenskapernas direktiv av den 13 juni 1983 om sammanställd redovisning (83/349/EEG).

Not 22 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

Bjuv - 24/06/2024

Thomas Griesel
Ordförande

DocuSigned by:
Thomas Griesel
AD6C7796A0B4478...

Viktor Pallua

DocuSigned by:
Viktor Pallua
635F8CA9068F4F9...

Kristian Hald
Verkställande direktör

DocuSigned by:
Kristian Hald
779AAF162FE3426...

Vår revisionsberättelse har lämnats
KPMG AB

Per Jakobsson

DocuSigned by:
Per Jakobsson
D7718E9358564A8...

Auktoriserad revisor

DocuSign

202406282161 7

Certificate Of Completion

Envelope Id: 2783E9E223364ABAB0A8F829FD7F7128 Status: Completed

Subject: Complete with Docusign: Board meetings (annual report FY2023) and annual reports

Source Envelope:

Document Pages: 66 Signatures: 9 Envelope Originator:

Certificate Pages: 6 Initials: 0 Reidar Johansson

AutoNav: Enabled Ruseløkkveien 38

EnvelopeId Stamping: Enabled Oslo, Oslo 0251

Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna rej@thommessen.no

IP Address: 81.175.32.90

Record Tracking

Status: Original Holder: Reidar Johansson Location: DocuSign

21 June 2024 | 15:29 rej@thommessen.no

Signer Events

Kristian Hald

kh@hellofresh.se

Managing Director

Security Level: Email, Account Authentication (None), Digital Certificate

Signature Provider Details:

Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)

Signature Issuer: DocuSign Cloud Signing CA - SI1

Signature

DocuSigned by:
Kristian Hald
779AAF162FE3426...

Signature Adoption: Pre-selected Style

Using IP Address: 80.160.65.194

Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Timestamp

Sent: 24 June 2024 | 09:18

Resent: 24 June 2024 | 09:20

Viewed: 24 June 2024 | 09:36

Signed: 24 June 2024 | 09:37

Authentication Details

Identity Verification Details:

Workflow ID: b68de72a-b47d-4a77-9dac-4926118c062e

Workflow Name: IDV - DS EU Advanced signature

Workflow Description: Used in cases where additional user validation is required. Signers use DocuSign ID Verification to automatically verify their identity. If the verification is successful, DocuSign allows the signature of the document. A digital certificate is generated as part of this transaction.

Identification Method: Electronic ID

Type of Electronic ID: MitID

Transaction Unique ID: 09501e34-bfea-5b79-b3f5-a69933fe20e6

Country or Region of ID: DK

Result: Passed

Performed: 24 June 2024 | 09:35

Electronic Record and Signature Disclosure:

Accepted: 24 June 2024 | 09:36

ID: 786af5e4-0e51-477d-be8e-fa23b71008bf

Viktor Pallua

viktor.pallua@hellofresh.dk

Security Level: Email, Account Authentication (None), Digital Certificate

DocuSigned by:
Viktor Pallua
635F8CA9068F4F9...

Sent: 24 June 2024 | 09:37

Viewed: 24 June 2024 | 09:38

Signed: 24 June 2024 | 09:38

Signature Provider Details:

Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)

Signature Issuer: DocuSign Cloud Signing CA - SI1

Signature Adoption: Pre-selected Style

Using IP Address: 80.160.65.194

Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Authentication Details

20240628216118

Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: b68de72a-b47d-4a77-9dac-4926118c062e
Workflow Name: IDV - DS EU Advanced signature
Workflow Description: Used in cases where additional user validation is required. Signers use DocuSign ID Verification to automatically verify their identity. If the verification is successful, DocuSign allows the signature of the document. A digital certificate is generated as part of this transaction.
Identification Method: Electronic ID
Type of Electronic ID: MitID
Transaction Unique ID: d34cd452-3ab7-5302-b99b-4c8f3705534d
Country or Region of ID: DK
Result: Passed
Performed: 24 June 2024 | 09:38

Electronic Record and Signature Disclosure:
Accepted: 24 June 2024 | 09:38
ID: 97426ce6-1c8d-4d21-9386-319613de846b

Thomas Griesel
tg@hellofresh.com
CEO International
Security Level: Email, Account Authentication (None), Digital Certificate

DocuSigned by:
Thomas Griesel
AD6C7796A0B4476...

Sent: 24 June 2024 | 09:38
Viewed: 24 June 2024 | 09:43
Signed: 24 June 2024 | 09:44

Signature Adoption: Pre-selected Style
Using IP Address: 84.146.63.41

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1
Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Authentication Details
Identity Verification Details:
Workflow ID: b68de72a-b47d-4a77-9dac-4926118c062e
Workflow Name: IDV - DS EU Advanced signature
Workflow Description: Used in cases where additional user validation is required. Signers use DocuSign ID Verification to automatically verify their identity. If the verification is successful, DocuSign allows the signature of the document. A digital certificate is generated as part of this transaction.
Identification Method: Government Issued Id Document
Type of Document: Passport
Identification Level: ID Only
Transaction Unique ID: 8a13b99f-eae7-5d85-9b49-8bfeceb47fe7
Country or Region of ID: DE
Result: Passed
Performed: 24 June 2024 | 09:43

Electronic Record and Signature Disclosure:
Accepted: 24 June 2024 | 09:43
ID: fda9d4c4-883c-4f97-af65-de242a646abd

Per Jakobsson
per.jacobsson@kpmg.se
KPMG AB
Security Level: Email, Account Authentication (None), Digital Certificate

DocuSigned by:
Per Jakobsson
D7716E9358564A8...

Sent: 24 June 2024 | 09:44
Resent: 24 June 2024 | 10:06
Viewed: 24 June 2024 | 10:12
Signed: 24 June 2024 | 10:27

Signature Adoption: Pre-selected Style
Using IP Address: 195.84.56.2

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1
Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Authentication Details
Identity Verification Details:
Workflow ID: b68de72a-b47d-4a77-9dac-4926118c062e
Workflow Name: IDV - DS EU Advanced signature
Workflow Description: Used in cases where additional user validation is required. Signers use DocuSign ID Verification to automatically verify their identity. If the verification is successful, DocuSign allows the signature of the document. A digital certificate is generated as part of this transaction.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: ca76b4d5-09c5-57f2-991f-10be0e46af93
Country or Region of ID: SE
Result: Failed - Incorrect signer name
Performed: 24 June 2024 | 10:02

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Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: b68de72a-b47d-4a77-9dac-4926118c062e
Workflow Name: IDV - DS EU Advanced signature
Workflow Description: Used in cases where additional user validation is required. Signers use DocuSign ID Verification to automatically verify their identity. If the verification is successful, DocuSign allows the signature of the document. A digital certificate is generated as part of this transaction.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: e376984f-eb6b-5eb5-b711-59a2651463a3
Country or Region of ID: SE
Result: Passed
Performed: 24 June 2024 | 10:11

Identity Verification Details:
Workflow ID: b68de72a-b47d-4a77-9dac-4926118c062e
Workflow Name: IDV - DS EU Advanced signature
Workflow Description: Used in cases where additional user validation is required. Signers use DocuSign ID Verification to automatically verify their identity. If the verification is successful, DocuSign allows the signature of the document. A digital certificate is generated as part of this transaction.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: e376984f-eb6b-5eb5-b711-59a2651463a3
Country or Region of ID: SE
Result: Passed
Performed: 24 June 2024 | 10:24

Electronic Record and Signature Disclosure:
Accepted: 24 June 2024 | 10:12
ID: dd9909a4-0cb5-4d2a-b3ef-6df4bde4c634

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Witness Events	**Signature**	**Timestamp**
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	24 June 2024 | 09:18
Envelope Updated	Security Checked	24 June 2024 | 09:20
Envelope Updated	Security Checked	24 June 2024 | 10:06
Envelope Updated	Security Checked	24 June 2024 | 10:06
Certified Delivered	Security Checked	24 June 2024 | 10:12
Signing Complete	Security Checked	24 June 2024 | 10:27
Completed	Security Checked	24 June 2024 | 10:27

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

Jag intygar att denna kopia stämmer med orginalet.
Daniel Blom

DocuSign Envelope ID: CB682031-F90C-4DB8-A5CD-77C1D3047034

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Revisionsberättelse

Till bolagsstämman i HelloFresh Sweden AB, org. nr 559192-1274

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för HelloFresh Sweden AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av HelloFresh Sweden ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till HelloFresh Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för HelloFresh Sweden AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till HelloFresh Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda *ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner* av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi *går igenom och prövar fattade beslut, beslutsunderlag, vidtagna* åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Helsingborg den 24 juni 2024

KPMG AB

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HELLOFRESH

GROUP

Annual Report 2023

HelloFresh SE

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HelloFresh at a Glance

Key figures	3 months ended 31-Dec-23	3 months ended 31-Dec-22	YoY change	12 months ended 31-Dec-23	12 months ended 31-Dec-22	YoY change
Group						
Active customers (in millions)	6.64	7.11	(6.5 %)			
Number of orders (in millions)	28.47	29.28	(2.8 %)	119.27	125.13	(4.7 %)
Orders per customer	4.29	4.12	4.1 %			
Meals (in millions)	240.0	246.2	(2.5 %)	1,008.7	1,046.5	(3.6 %)
Average order value (EUR) (excl. retail)	65.0	63.7	2.0 %	63.4	60.5	4.8 %
Average order value constant currency (EUR) (excl. retail)	67.8	63.7	6.4 %	65.2	60.5	7.8 %
North America [1]						
Active customers (in millions)	3.63	3.84	(5.5 %)			
Number of orders (in millions)	15.74	16.13	(2.4 %)	67.78	70.90	(4.4 %)
Orders per customer	4.33	4.20	3.1 %			
Meals (in millions)	125.0	127.1	(1.7 %)	542.5	557.7	(2.7 %)
Average order value (EUR) (excl. retail)	76.3	75.4	1.2 %	73.8	70.0	5.4 %
Average order value constant currency (EUR) (excl. retail)	80.6	75.4	7.0 %	76.0	70.0	8.6 %
International [1]						
Active customers (in millions)	3.01	3.26	(7.8 %)			
Number of orders (in millions)	12.72	13.15	(3.2 %)	51.49	54.23	(5.1 %)
Orders per customer	4.23	4.03	5.0 %			
Meals (in millions)	115.0	119.0	(3.4 %)	466.2	488.8	(4.6 %)
Average order value (EUR) (excl. retail)	51.0	49.4	3.3 %	49.7	48.1	3.5 %
Average order value constant currency (EUR) (excl. retail)	51.9	49.4	5.0 %	51.0	48.1	6.2 %

[1] 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.

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Key figures	3 months ended 31-Dec-23	3 months ended 31-Dec-22	YoY change	12 months ended 31-Dec-23	12 months ended 31-Dec-22	YoY change
Results of operations						
Group						
Revenue (in MEUR)	1,859.0	1,874.5	(0.8 %)	7,596.6	7,607.2	(0.1 %)
Revenue constant currency (in MEUR)	1,938.6	1,874.5	3.4 %	7,816.9	7,607.2	2.8 %
Contribution margin [1] (in MEUR)	503.2	504.6	(0.3 %)	2,040.6	1,942.5	5.1 %
Contribution margin [1] (in % of revenue)	27.1 %	26.9 %	0.2 pp	26.9 %	25.5 %	1.3 pp
AEBITDA[5] (in MEUR)	113.6	160.1	(29.0 %)	447.6	477.4	(6.3 %)
AEBITDA (in % of revenue)	6.1%	8.5 %	(2.4 pp)	5.9 %	6.3 %	(0.4 pp)
North America [2]						
Revenue [3] (in MEUR)	1,201.0	1,215.9	(1.2 %)	5,002.8	4,963.1	0.8 %
Revenue constant currency (in MEUR)	1,269.4	1,215.9	4.4 %	5,153.8	4,963.1	3.8 %
Contribution margin [1] (in MEUR)	344.8	364.1	(5.3 %)	1,460.2	1,364.1	7.0 %
Contribution margin [1] (in % of revenue)	28.5%	29.8 %	(1.3 pp)	29.0 %	27.3 %	1.6 pp
AEBITDA[5] (in MEUR)	87.9	143.9	(38.9 %)	417.4	437.2	(4.5 %)
AEBITDA (in % of revenue)	7.3%	11.8 %	(4.5 pp)	8.3 %	8.8 %	(0.5 pp)
International [2]						
Revenue [3] (in MEUR)	658.0	658.6	(0.1 %)	2,593.8	2,643.9	(1.9 %)
Revenue constant currency (in MEUR)	669.2	658.6	1.6 %	2,663.1	2,643.9	0.7 %
Contribution margin [1] (in MEUR)	173.4	152.5	13.6 %	638.0	617.9	3.2 %
Contribution margin [1] (in % of revenue)	26.0%	23.0 %	3.0 pp	24.3 %	23.2 %	1.1 pp
AEBITDA[5] (in MEUR)	59.2	52.8	12.0 %	175.3	172.4	1.7 %
AEBITDA (in % of revenue)	8.9%	8.0 %	0.9 pp	6.7 %	6.5 %	0.2 pp
Group Financial Position						
Operating working capital [4] (in MEUR)	(401.6)	(356.0)		(401.6)	(356.0)	
Cash flow from operating activities (in MEUR)	92.1	48.0		383.8	313.4	
Free cash flow (excl. repayment of lease liabilities) (in MEUR)	33.0	(57.5)		78.0	(104.0)	
Free cash flow per diluted share (in EUR)	0.19	(0.32)		0.44	(0.58)	
Cash and cash equivalents (in MEUR)	433.1	504.0		433.1	504.0	

[1] Excluding share-based compensation (SBC) expenses.
[2] 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.
[3] External revenue from contracts with customers.
[4] During the year 2023 the Group has changed its indicator relating to working capital from net working capital to operating working capital. Comparative information was not adjusted due to immaterial effect of the change.
[5] Q4 AEBITDA numbers presented do not include impairment charges of MEUR 6.7 taken in 2023.

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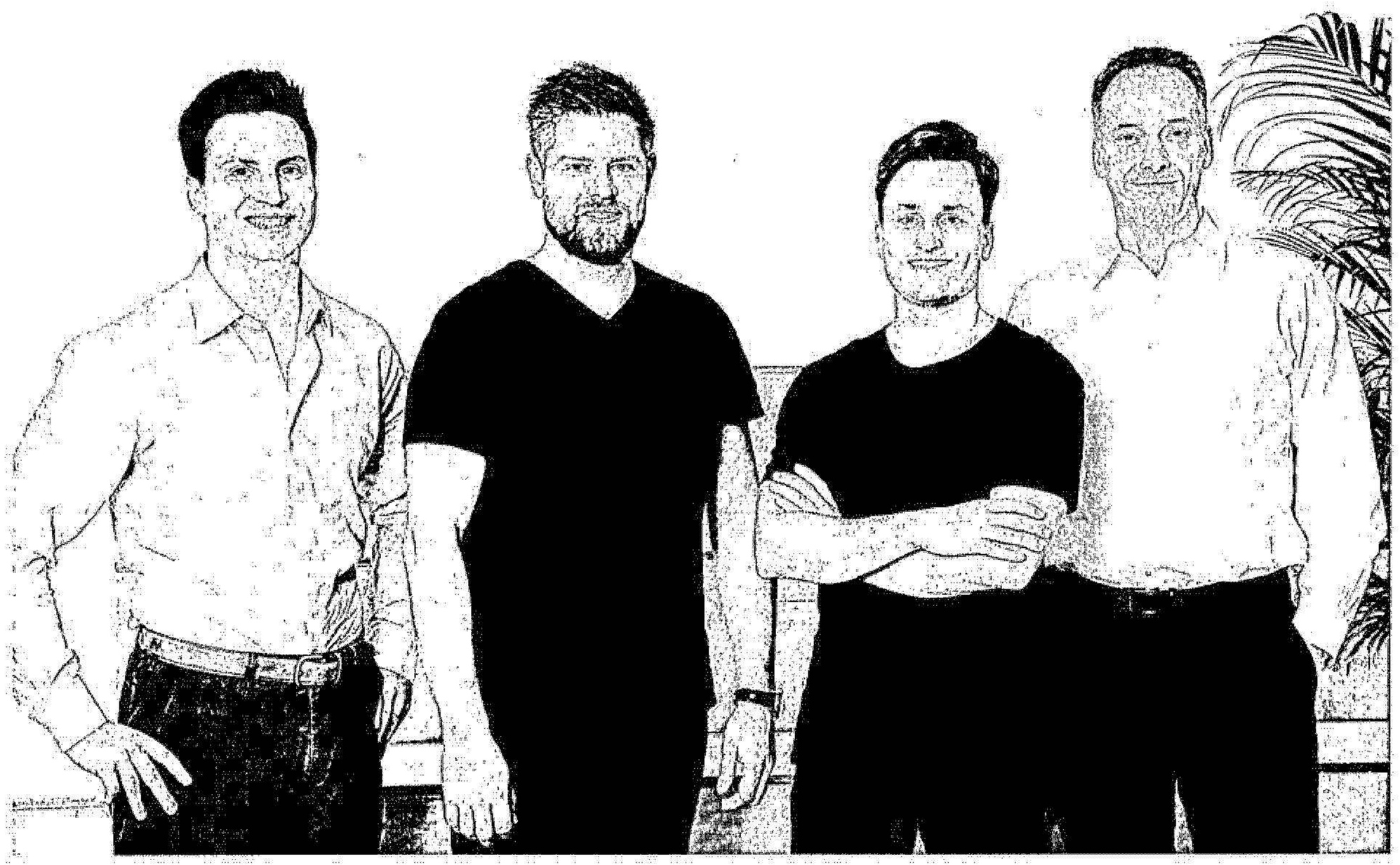
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A. To Our Shareholders



Edward Boyes Thomas Griesel Dominik Richter Christian Gaertner

Letter by the Management Board

Dear HelloFresh shareholders,

Our mission for the last 12 years at HelloFresh has been "to change the way people eat forever". With our two scaled business lines, meal kits and ready-to-eat (RTE), we have pioneered two entirely new and attractive digital-first fast-moving consumer goods (FMCG) business models in the last 12 and 4 years, respectively. We are grateful for the positive impact we have on so many of our customers' lives.

Building a business is hard and ours in particular requires a lot of muscles to work together seamlessly. Looking back on 2023, we performed some of our best work in years across many domains, while also coming up against multiple challenges we had not encountered before. We began to tackle a lot of hard problems, which will help us to improve the customer value proposition in the long run and become strong assets for all of the current and future business units under the HelloFresh Group umbrella. For example, we delivered world-class technology predictably, made our first forays into leveraging AI, launched attractive offerings for new meal occasions and significantly expanded the coverage of our own last mile operations in different geographies. We successfully laid the supply chain foundations to significantly scale our RTE customer base over the next several years, while at the same time improving our talent density across the whole group. A lot of the stellar work our teams performed was just enough to mitigate the different obstacles that were thrown at us, and, ultimately we did not achieve the financial outcomes we were striving for at the beginning of the year.

While we appreciate that sustainable, linear growth is not only more desirable for our shareholders but also much easier to digest for our organization and culture, this is unfortunately not always a reality in life. Growth in nature, life and business tends to be non-linear, and we had to learn this the hard way in 2023, navigating both a tough macroeconomic environment and the Covid aftermath. Understandably, this has caused disappointment to our co-owners and ourselves.

Still, 2023 marked the fifth consecutive year of profitable, self-funded growth, in which we delivered over 1bn meals to our customers, up 4x since 2019. We achieved yet another year of profitable revenue growth in constant currency across both of our operating segments, North America and International. We also continued to generate strong Cash Flow from Operations, which we used to modernize and automate our fulfillment footprint, pay the earn-out for the acquisition of

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Factor and initiated a share and convertible bond buy back program in Q4. In addition, we invested in a number of new product groups that will allow us to further diversify our revenue streams and set us up for sustainable future growth. Most notably, we scaled our RTE business unit, Factor, by 60% over the course of last year and c.10x since acquiring the business three years ago, making it one of the fastest growing businesses at scale globally. We successfully found product-market fit for two additional business units, our premium butcher brand, Good Chop, and our human-grade pet food brand, The Pets Table. Despite all of these investments we returned to producing positive Free Cash Flow (FCF) in 2023 and aim to grow FCF per share materially in the midterm, given that our infrastructure expansion is almost complete.

We achieved this in an uncertain economic environment marked by low consumer confidence, elevated cost of living and continued inflationary pressures across all of our input factors such as ingredients, labor, transportation and utilities. This dynamic environment required a lot of proactive management and making harsh trade-offs, both on the short-term tactical as well as on the longer-term strategic level. While we would claim that we got a lot of these decisions right, there were also areas where we clearly fell short, such as (i) our view on how quickly we would re-accelerate growth in our meal kit business and (ii) the timeline for the initial ramp-up of our new additional US RTE production site.

In our meal kits business we experienced a temporary slowdown in 2023 in both Operating Segments, similar to the general trend many consumer companies saw over the past two years, albeit with a lag due to the nature of our business model with high repeat rates. We worked hard on behalf of our customers to mitigate material inflationary pressures and outsized price increases to offer ongoing great value. A lot of the success of these measures did not translate directly into better profitability or higher growth in the meal kit business, given the material headwinds we had to overcome. Nonetheless, we still managed to expand our Group contribution margin by c. 1.3pp YoY.

Were we too optimistic in some of our assumptions? With the benefit of hindsight, it's easy to make that argument. We saw positive early signs in summer and expected these to continue for the remainder of the year. However, this expected improvement is taking longer to materialize than we had hoped for. As large shareholders of the company ourselves, we share your frustrations. At the same time, we are determined and incentivized to make the right long-term decisions for the company.

Where does this leave us for 2024 and beyond?

In our meal kit business, we saw unprecedented growth in a favorable market environment during the pandemic. Scaling our customer base and order volumes during that time felt anything but a walk in the park. Yet, looking back, we certainly benefited greatly from free traffic, powerful word-of-mouth, a relaxed labor market and a low inflation environment, giving us great operational leverage. As the tide turned strongly, starting in H2 '22, we have focused on stabilizing both our Revenue and AEBITDA in the meal kit segment at the high rates we achieved during the pandemic, as we build the muscles required for the next leg of growth. We initiated a company-wide program to continuously improve the value we bring to customers which has shown promising early results. In 2024 and beyond, we will continue to focus on improving our service levels, launch more flexible delivery options and an assortment with more breadth, both within the menu and in our HelloFresh Marketplace. None of these are quick fixes but, in the long run, a more desirable product always leads to higher demand and a more defensible market position. Customer happiness and retention are leading indicators and have trended very positively already in the last year. With all the work underway, we are convinced that we can return our meal kit segment to sustainable growth in the mid-term, while expanding back toward double-digit AEBITDA margins over time.

In 2023 we have exercised strict discipline on overall G&A and headcount development, however, we see opportunities to simplify our operating model and generate additional savings, which will benefit both our expense line and improve the velocity of decision-making.

Our growth in 2024 will primarily come from our currently underpenetrated RTE business units where we can fully leverage our growth playbook, with many proven growth strategies available to deploy in order to close the existing gap in penetration and brand recognition to our more mature meal kit markets. Opening up additional delivery days, investing into a wider assortment for our customers and diversifying our marketing mix will be the key building blocks to penetrate these markets at higher rates and ultimately increase both absolute and relative profitability as well as free cash flow for the RTE segment.

The internationalization of our RTE business outside the US has commenced successfully in 2023, with launches in Canada, Belgium and the Netherlands. We plan to bring Factor to additional geographies in 2024 and see tremendous potential to scale the recently launched RTE markets further.

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Our two biggest product groups, meal kits and RTE, have grown into two profitable multi-billion business lines with many moats around them. In addition, we have successfully launched the online butcher, Good Chop, and the pet food brand, The Pets Table. Across both existing and future product groups, we are uniquely positioned to capitalize on our globally leading expertise in food, marketing, subscription management, technology and data. This enables us to realize significant synergies across the Group and scale our businesses faster and more effective than any of our stand-alone competitors.

Our geographic footprint, our revenue and profit mix as well as our organizational structure have evolved a lot over the last five years. We expect this trend to continue, as we find and scale the next billion-dollar business lines and build HelloFresh into a digital-native, next generation FMCG group, with diverse streams of revenue and free cash flow at different levels of maturity.

The pandemic allowed us to pull forward demand we had only planned to capture in future periods, but at the same time posed a lot of disruption to the organization and set us up against some very tough benchmarks. Looking at our financial fundamentals as well as our internally developed capabilities over longer periods, we are proud of where we are today and excited about the future prospects. But we acknowledge that the path to getting here was anything but linear in recent years.

In order to achieve the long-term impact we desire we must meet and exceed the high expectations we place in ourselves and our teams. Thank you for your ongoing trust and being part of our journey to "change the way people eat forever".

Berlin, 14 March 2024

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Executive Officer International

Christian Gaertner
Chief Financial Officer

Edward Boyes
Chief Commercial Officer

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Report of the Supervisory Board

Dear Shareholders,
Ladies and Gentlemen,

We look back on the fiscal year 2023 as a challenging but overall successful year for the HelloFresh Group. In all its operating markets, the Company continues to admirably navigate commercial and operational difficulties that have been a result of the ongoing challenging economical environment. This environment was in particular caused by high levels of inflation and restrained purchasing behaviors of consumers, which in turn have (besides other reasons) been the result from international conflicts such as in Ukraine, Gaza, and Israel.

In 2023, we worked closely with the Company to maintain the standards of excellence that are commensurate with its market leading status. This entailed among other matters: (i) investing in the Company's production capacity and capabilities, (ii) further investment into tech and data capabilities, (iii) ensuring that the Company's prime financial strength was maintained at all times, (iv) supporting the Company in the evaluation and prioritization of additional strategic initiatives, (v) supporting the Company in evaluating a balanced compensation system, and (vi) supporting the Company in further developing the ESG strategy including the diversity targets of the Company.

Management oversight and other key Supervisory Board activities

The Supervisory Board duly performed its duties in accordance with the statutory requirements, the Articles of Association of HelloFresh SE, the rules of procedure of the Supervisory Board dated 5 December 2022 (the "Supervisory Board Rules of Procedure") and the German Corporate Governance Code. It obtained regular and detailed information, written and oral, about business policy, significant financial investment and personnel planning matters, and the course of business. In particular, the Management Board discussed and agreed on the Company's strategic alignment with the Supervisory Board. Furthermore, the Supervisory Board was directly involved in all fundamental decisions.

Before adopting a resolution, any transactions which, according to the Articles of Association and/or the Management Board Rules of Procedure, require Supervisory Board approval, were explained by the Management Board and discussed by the Supervisory Board and the Management Board. Discussions took place in meetings of the entire Supervisory Board or its committees or in informal communications with the Management Board outside the Supervisory Board meetings. The Chairman of the Audit Committee discussed audit-related topics with the auditor outside the meetings and without the involvement of the Management Board. The Chairman of the Audit Committee was in regular interaction with the CFO and the senior financial team on key financial matters.

The Chairman of the Supervisory Board was also in regular contact with the Management Board outside the Supervisory Board meetings.

The Supervisory Board discussed and reviewed in particular the following topics in fiscal year 2023:

- The separate and consolidated financial statements for the fiscal year 2022, the results for the first half of 2023 and the preparation of the financial statements as of 31 December 2023;
- Ongoing business performance, including the development of the Company's revenue and profitability, liquidity position, market position and business strategy;
- Specific material investments, including the build-out of new fulfilment centers and the expansion of operations to new markets;
- A report by the Audit Committee on the Company's key controls, processes and information security environment;
- The audit planning and quarterly reports of the internal audit department, with strategic considerations on positioning and presence in North America, Australia, and new markets;
- The preliminary budget of HelloFresh Group for 2024, including revenue and margin plans for each segment and Capex plans per geography;
- The strategic positioning and structure of the Group and the corporate organization, including succession planning and diversity targets;
- The invitation to and agenda for the ordinary Annual General Meeting for 2023 with proposed resolutions;
- Reorganization of the composition of the Supervisory Board committees;
- Launch of the buy-back of Company shares and issued convertible bonds (issued in May 2020);
- Rewording of the Management Board Rules of Procedure;

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- Re-tendering of the audit of the annual and half-year financial statements, the compensation report and the non-financial report; and
- Declaration of compliance with the German Corporate Governance Code.

For general and specific further development, the members of the Supervisory Board took part in internal and external meetings and trainings on new legal developments in the new German Corporate Governance Code. Insofar as the members of the Supervisory Board attended events on their own responsibility, the Company provided them with support. Lastly, members of the Supervisory Board could meet members of the Management Board and senior managers with special responsibilities to exchange views on fundamental issues, and gain an overview of specific Company topics.

Cooperation between Supervisory Board and Management Board

The Management Board and Supervisory Board once again cooperated closely for the benefit of the Company in fiscal year 2023. In an ongoing, intensive dialog between the boards, the Supervisory Board discussed strategy, planning, business development and risk management issues with the Management Board.

The Chairman of the Supervisory Board is immediately notified of important events that the Supervisory Board is required to approve: certain transactions of fundamental importance or materiality; transactions by members of the Management Board and related persons with the Company; and the acceptance of sideline work outside the entity.

In addition to meeting attendance, the Supervisory Board members informally perform the following activities:

- Informal dialogue with, and advice to the Management Board and senior executives;
- Investor outreach and consultation on Company matters;
- Fulfilment operations site visits;
- Internal audit consultation and support;
- Additional 3rd party outreach as necessary, for example with the Company's external auditors and advisors; and
- Ongoing qualification on regulatory requirements.

The members of the Supervisory Board have frequent bilateral communication between themselves, and meet privately for the discussion of certain matters and sub-committee meetings. For all plenary meetings of the Supervisory Board in fiscal year 2023, the Management Board was in attendance. Subsequent to plenary meetings of the Supervisory Board, the Supervisory Board also met regularly without the participation of any member of the Management Board.

Changes in the Supervisory Board

In June 2023, Stefan Smalla resigned from his position as a member of the Supervisory Board for personal reasons. For this reason, the Supervisory Board adjusted the composition of its committees during the reporting year. Beside that, there were no other personnel changes in the composition of the Supervisory Board in the fiscal year 2023.

Composition of the Supervisory Board and committees

The Supervisory Board currently has four members. All members of the Supervisory Board are elected by the Annual General Meeting as shareholder representatives. The Supervisory Board is not subject to employee co-determination.

The members of the Supervisory Board have comprehensive competencies for effectively monitoring the work of the Company's Management Board. The Chairman and the Supervisory Board members have determined that these competencies accurately reflect the risk and success factors relevant to the business. As of now, the competencies are broken down among the individual members in the following matrix:

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	Functional Experience									Sector Exp.			Diversity						Term	
	Accounting	Controlling/Risk Management	ESG	Capital Markets/ Investor Relations	Corporate Governance/ Compliance	Managing public companies	US and International Markets	FMCG	Digital and Internet	Food	Age	Gender	Nationality	Work Stage	Independence	Other Mandates	Initial Election	End of Term
John H. Rittenhouse (Chairman)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	67	M	US	exec	Y	2	2015	2025
Ursula Radeke-Pietsch (Deputy Chairwoman)	Y	Y	Y	Y	Y	Y	Y	Y	Y		65	F	DE	exec	Y	2	2015	2025
Derek Zissman	Y	Y		Y	Y	Y	Y	Y	Y	Y	79	M	GB	post	Y	1	2015	2025
Stefan Smalla[1]			Y	Y		Y	Y	Y	Y		47	M	DE	exec	Y	1	2021	2023
Susanne Schröter-Crossan	Y	Y	Y	Y	Y	Y	Y				44	F	DE	exec	Y	2	2021	2025

The other board mandates of the Supervisory Board members are as follows:

- John H Rittenhouse: Chairman and CEO, Cavallino Capital, LLC; Board Member, Flaviar Inc.;
- Ursula Radeke-Pietsch: Global Head Strategic Projects, Siemens AG; Member of the Supervisory Board of momox SE; Member of the Investment Advisory Board of Sophora Unternehmerkapital GmbH;
- Derek Zissman: Director, Crossroads Partners Ltd.;
- Stefan Smalla[1]: CEO, The Quality Group; and
- Susanne Schröter-Crossan: CFO, sennder Technologies GmbH; Member of the Supervisory Board of Zalando SE.

Changes in the Management Board

There was no personnel or structural change in the Management Board in the reporting year.

Corporate governance disclosures

Both the Management Board and Supervisory Board are committed to upholding principles of good corporate governance and transparency. In addition to this report, the Group has published, or will publish supplementary information on its website (www.hellofreshgroup.com), in the Governance sub-section of the Investor Relations part of its website (ir.hellofreshgroup.com) and in the Standards sub-section of the ESG part of its website (www.hellofreshgroup.com/en/esg) that includes:

- A declaration by the Supervisory Board and Management Board of conformity for HelloFresh SE in accordance with Sec. 161 German Stock Corporation Act ("AktG") as part of its reporting on fiscal year 2023, whereby exceptions from the German Corporate Governance Code are explained;
- The Corporate Governance Report 2023, which details:
  - the working methods and accountabilities of the Management Board, the Supervisory Board and its Committees;
  - the composition profile of the Management Board and Supervisory Board;
  - an outline of the self-assessment process adopted by the Supervisory Board;
- The Compensation Report; and
- The Group code of ethics.

[1] Stefan Smalla stepped down from his position as a member of the Supervisory Board in June 2023.

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Meetings of the Supervisory Board and its committees

In the fiscal year 2023, the Supervisory Board met six (6) times and had four sub-committees which met as set forth below.

	Supervisory Board	Committees				Attendance %
		Audit	Remuneration	Executive and Nomination	ESG	
John H. Rittenhouse	6 of 6	10 of 10	1 of 1	2 of 2	4 of 4	100%
Ursula Radeke-Pietsch	6 of 6	10 of 10	1 of 1	2 of 2	n/a	100%
Derek Zissman	6 of 6	10 of 10	n/a	1 of 1*	4 of 4	100%
Stefan Smalla**	3 of 3**	n/a	1 of 1**	1 of 1**	1 of 1**	100%
Susanne Schröter-Crossan	6 of 6	10 of 10	n/a*	n/a	4 of 4	100%

* Member of the Supervisory Board sub-committee since July 1, 2023.
** Not any longer Member of the Supervisory Board and of the Supervisory Board sub-committee since June 12, 2023.

The Supervisory Board and its committees conducted its business through in person meetings as well as video and conference calls. Furthermore, the Supervisory Board, the Executive and Nomination Committee and the Remuneration Committee adopted several resolutions by circulation and by e-mail voting.

Audit of the standalone and consolidated financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin was elected as auditor for fiscal year 2023 by the Annual General Meeting, and proposed by the Supervisory Board. The Supervisory Board confirmed the terms, audit focus areas and engagement, all of which were negotiated by the Audit Committee. KPMG was first appointed as auditor for fiscal year 2019, and the auditor primarily responsible for the performance of the engagement is Patrick Waubke, having acted in this role for the first year. Additionally, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin was also appointed to audit the compensation report and the non-financial report for fiscal year 2023.

The Supervisory Board has engaged KPMG to audit the annual financial statements for the year ended 31 December 2023, together with the accounting records, the management report, as well as the risk monitoring system. The auditor issued an unqualified audit opinion on both the financial statements and the management report.

The Audit Committee satisfied itself with the auditor's independence and obtained a written declaration in this respect. The financial statements and the auditor's long-form reports were sent to the members of the Audit Committee and the Supervisory Board, who reviewed the separate and consolidated financial statements and the combined management report of HelloFresh SE. The results of the review by the Audit Committee and the results of its own review are fully consistent with the results of the auditor's audit. Having completed its review, the Audit Committee and the Supervisory Board have no reason to raise any objections to the audit of the financial statements. The Supervisory Board has therefore approved the standalone and consolidated financial statements of HelloFresh SE for fiscal year 2023.

Acknowledgments

The Supervisory Board would like to take the opportunity and thank the Management Board and all employees of HelloFresh for their excellent work and their high level of commitment in fiscal year 2023.

Berlin, 14 March 2024

On behalf of the Supervisory Board

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B. Combined Management Report

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1. Fundamentals of the Group

1.1. Business Model

Since its foundation as a meal kit provider in 2011, HelloFresh continues to be a leading innovator in the food at home industry. Over the past decade the Group has built a strong, trusted brand for providing personalized, home-delivered meal solutions in numerous geographies around the world. In addition to our most prominent brand, HelloFresh, the Group also owns Factor, EveryPlate, Green Chef, Chefs Plate, Youfoodz, Good Chop and The Pets Table providing personalized meal solutions to 6.64 million active customers (in the three months ended 31 December 2023).

Our strong success in meal kits has been a result of building a valuable and rare set of capabilities in the D2C (Direct to consumer) space, starting with the HelloFresh brand. Now we are focused on building a leading digital FMCG (Fast Moving Consumer Goods) company. Across our multiple verticals, we are uniquely positioned to capitalize on our globally leading D2C expertise in food at home, ready-to-eat and expand to other categories.

1.1.1 General Information

Founded in Berlin in 2011, HelloFresh was one of the first companies to offer meal-kit solutions as they are known today. With operations in 18 countries across three continents, HelloFresh has grown to become the largest player globally in the meal-kit market in terms of geographic coverage and revenue. The company operates its meal-kit business through the brands HelloFresh, Green Chef, EveryPlate and Chefs Plate.

In addition to meal-kits, HelloFresh entered the direct-to-consumer ready-to-eat meals business ("RTE") through the Factor brand in the US in 2020 and has quickly grown to become the largest player in this market. HelloFresh has since expanded its geographic RTE presence to Australia through Youfoodz (acquired in 2021) and in 2023 also launched the Factor brand in Canada, the Netherlands and Belgium.

The Group also launched a premium online butcher under the Good Chop brand in the US in 2023 and expanded into pet food in 2023 via The Pets Table brand.

HelloFresh's business is managed based on two geographical regions, which form our operating and reporting segments: "International" and "North America" ("NA", which from 2023 comprises the United States of America ("USA" or "US") and Canada). International segment comprises our operations in Australia, Austria, Belgium, Denmark, Germany, Ireland, Italy, Luxembourg, France, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland and the UK.

1.1.2 Business Activities

We are focused on building the leading digital FMCG company globally. Within our biggest product groups, meal-kits and D2C ready-to-eat, we have already built two profitable multi-billion businesses, achieving a market leading position in their respective relevant markets. In addition, we have successfully launched the online butcher Good Chop and the D2C pet food brand The Pets Table.

These verticals are founded on a unique set of capabilities, which together make up our moat: our D2C expertise in food excellence, marketing, subscription management, tech and data.

Leading D2C Growth Engine

By primarily focusing on serving customers directly, we capture a large part of the value chain and achieve superior unit economics: while economic sales and marketing expenses for traditional FMCG companies comprise both its own marketing expenses and the retail margin it concedes to supermarkets, we only incur our own marketing expenses. In addition, we can leverage our technology tools, and proprietary data to target relevant customers efficiently across a number of diversified channels. We have built substantial capabilities to run tests at a high velocity, which ensures a desired deployment of our marketing spend and constant optimization of our digital product.

Flexible Plan Management

We are not a purely transactional model, where a new customer trades one-off with us. Instead, we operate on a flexible ordering model: i.e. our customers sign up to a plan, which they can customize on a weekly basis for parameters such as household size, number of meals, delivery window, and taste preference/diet. Our customers can pause or cancel at any time, and are only required to pay for the deliveries they actually receive. Many customers who cancel at a certain point in time reactivate later again to the service.

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As such, our model provides the best of both worlds: a high degree of flexibility for our customers, combined with a strong plannability and repeat business for us.

Customer base strength and brand

We operate in 18 of the most attractive e-commerce markets globally. Within those, the food category typically represents one of the largest single spend category. While meal-kits and direct-to-consumer RTE so far only make up a small part of the overall food category, we see a great opportunity to further expand its size. Already today, we have a large base of engaged existing and lapsed customers that represent a unique source of opportunities for HelloFresh.

By interacting through multiple touchpoints with our customer base, we have built a large private data set of food preferences across the most attractive consumer online markets globally. This unlocks significant synergy potential, for example by cross marketing or cross selling our products, and scale our businesses faster and more effectively than our stand-alone competitors.

Product Development

The quality of our meals and product offering is the result of a structured and data-driven product development approach. Our algorithm-based menu planning ensures that we put a comprehensive menu in front of our customers across our 18 markets. In addition to our core recipe choice, we have rolled-out across major geographies a portfolio of upcharge offerings, such as premium meals, protein swaps, double-portions and extra-recipes. We also offer an increasing selection of add-ons, such as soups, snacks, fruit boxes, desserts, breakfast and ready-to-eat meals and seasonal boxes (i.e. for Christmas).

New initiatives are evaluated through a rigorous test and learn philosophy that leverages data to optimize for product range and presentation.

Sourcing Network

We possess a large D2C food supply chain globally, a factor that contributes to our goal of delivering fresh, high quality ingredients while benefiting from scale.

We deploy data-driven optimization approaches in our procurement operations that help us navigate volatile food markets. We do so in all steps of our menu development and sourcing process from designing and choosing seasonal recipes, to testing the attractiveness of different menus ahead of time.

For our suppliers, also by leveraging data and predictive models, we are able to approximate estimated demand weeks in advance. This prediction accuracy allows us to harmonize buying volumes with reduced inventory levels, procurement costs and waste. From the supplier side, it enables reliable production plans therefore reducing the risk of overproduction.

Proprietary Fulfilment and Last Mile Infrastructure at scale

We have invested meaningfully more than EUR one billion into our physical custom-built production infrastructure, with focus on high velocity, efficiency and consistency.

Our meal-kit fulfilment centers comprise tailored fulfilment operations and technology solutions, enabling streamlined picking of ingredients into meal-kits and assembling those into boxes, despite tens of thousands of different customers order types being produced in a fulfilment center in a single week. On the ready-to-eat side, we are operating complex industrial sized kitchens, where our process knowledge and technology allows us to achieve consistency in the quality of our meals.

The food boxes are then either handed to our logistics partners for delivery or, in the case of the Benelux, Australia, and certain catchment areas in other markets, including the US, Germany, the United Kingdom and Canada, delivered through our own logistics operation. We use advanced algorithms to optimize carrier allocation for lowest cost and highest quality.

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1.2 Research and Development

HelloFresh does not have a traditional research and development department; however, we constantly strive to optimize our existing processes and pursue development projects which will create future economic benefits. Given that most steps across our value chain rely on our strong technology competencies, our tech team represents one of the largest expense items in our central holding expenses. In 2023 we spent MEUR 155.1 (2022: MEUR 154.1) on technology, including salaries for our several hundred developers and data engineers.

Of our technology expenditure, HelloFresh capitalized MEUR 42.8 of internally developed software in the year ended 31 December 2023 (2022: MEUR 34.4). Amortization totaled MEUR 20.6 in 2023 (2022: MEUR 12.3).

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2. Performance Measurement System

We have designed our internal performance management system, and defined appropriate performance indicators. Detailed weekly and monthly reports are an important element of our internal management and control system. The financial performance measures we use are oriented toward our investors' interests and expectations. We use both financial and non-financial performance indicators to measure the success in implementing our strategy.

2.1 Financial Performance Indicators

HelloFresh Group steers its operations with revenue in constant currency (cc) and AEBITDA as leading key financial performance indicators.

Revenue in constant currency	Revenue is primarily generated from the sale of meal kits, containing recipes and the corresponding ingredients, add-ons, and ready-to-eat meals as well as shipping fee. Revenue is recognized when the goods have been delivered to the customer. Revenue represents amounts receivable for goods supplied, stated net of promotional discounts, customer credits, refunds, and VAT. Revenue in constant currency is an indicator of the demand for our products, and an important factor for the long-term increase in corporate value.
AEBITDA	Adjusted Earnings before Interest, Taxes, Depreciation of property, plant and equipment, Amortization of intangible assets and Impairment of Property, plant and equipment and Intangible assets, "AEBITDA", is calculated by adjusting EBITDA for share-based compensation expenses, special items, and on segment level, holding fees. Special items consist of income and expenses that HelloFresh does not consider to be of a regularly recurring nature. These include but are not limited to items such as expenses in connection with M&A-transactions, costs related to reorganizations and restructurings, certain legal costs and prior period related effects. Holding fees represent a remuneration for high value-adding services performed by HelloFresh SE (the holding), and for using the HelloFresh intellectual property rights. AEBITDA is an indicator for evaluating underlying operating profitability as it does exclude items that we believe are not reflective of the underlying business performance.

In addition to the above-stated key financial performance indicators, the following auxiliary financial performance indicators are relevant to an evaluation of our performance and the cash flows generated by our business, although they are not employed as the basis for managing the Group as a whole.

Contribution margin	Revenue less procurement expenses and fulfilment expenses. Contribution margin is an indicator for evaluating our operating performance, and margin development before marketing and G&A.
EBITDA [1]	Earnings before Interest, Taxes, Depreciation of Property, Plant and Equipment, Amortization of Intangible Assets, and Impairment of Property, plant and equipment and Intangible assets. "EBITDA" is operating profit (EBIT) before Depreciation, Amortization and Impairment. EBITDA is an indicator for evaluating operating profitability.
AEBIT	Adjusted Earnings before Interest, and Taxes, represents EBIT before share-based compensation expenses, holding fees, and other non-operating one-time effects ("special items"). AEBIT is an indicator for evaluating operating profitability
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.
Capital expenditure	Cash used for purchase of Property, Plant, and Equipment (excluding lease assets recognized under IFRS 16), software development expenditure, and purchase of software licenses. Capital expenditure is an indicator for the cash used in the operations for investment purposes.
Cash flow in operating activities	Net income adjusted for all non-cash income/expenses plus/minus cash inflow/outflow from net working capital. Cash flow in operating activities is an indicator of the operating cash flows generated by the business.
Free cash flow	Cash flow in 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).
Average order value	Total revenue (excluding retail revenue) divided by the number of orders in the corresponding period.

[1] During the year 2023 the Group has amended its determination of EBITDA to exclude impairment of property, plant and equipment and intangible assets, which management considers to be akin to depreciation and amortization expenses. The comparative information was not adjusted for this change as there were no material impairment losses on non-current non-financial assets recognized in 2022.

Some of the indicators described above are, or can be, so-called non-GAAP financial measures. Other companies, that use financial measures with a similar designation, may define them differently.

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2.2 Non-Financial Performance Indicators

HelloFresh's results of operation, and financial condition are subject to a range of influences that in turn depend on several factors. In addition to the above-stated financial performance indicators, the Group uses a range of non-financial performance indicators in order to measure the economic success of business activities.

We use number of orders as our most important non-financial performance indicator from 2023 onwards. This performance indicator is more meaningful as number of orders has become the better metric to capture quarterly developments in the business, as it is agnostic as to how an order, and therefore the revenue it produces, is generated. For a more mature business with a growing number of verticals, number of orders as a metric allows for better reflecting how the business is managed internally. Until 2023 HelloFresh steered its operations by evaluating the number of active customers.

Orders	Orders represent the number of orders shipped to customers in a given period. An order typically consists of several meals, and can also contain additional add-on products.

In addition, the following auxiliary non-financial performance indicators are relevant for evaluation of our performance with respect to customers, the market, our offerings and our environmental impact but are not employed as the basis for managing the Group as a whole:

Active customers	Number of uniquely identified customers per brand, who received at least one box within the preceding three months (including first time 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.
Meals delivered	Meals delivered or Number of meals is defined as the number of individual serve/portion that have been delivered within the corresponding period, excluding pet meals.
Orders per customer	The number of orders in a given quarter divided by the number of active customers in the same period.
Food waste	Food waste produced by the Group's own fulfilment centers that is disposed of in landfills or by incineration, per Euro of sales (food waste per Euro of revenue).
Carbon emissions	CO2 emissions produced by the Group's own fulfilment centers per Euro of revenue (CO2 emissions per Euro of revenue).

We believe that organic growth will continue to be a key driver of our future growth. We currently intend to increase the penetration in our markets by enlarging our customer base across our brands. In addition, we are targeting to continue expanding our average order value, partly by expanding our HelloFresh Market offering and surcharge offerings.

With regards to the environmental KPIs, food waste and carbon emissions, we refer to our Non Financial Report, which is published separately (see also Section 4).

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3. Economic Position

3.1 General Economic Conditions

The global economy continues to recover slowly from the blows of the pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis. In October 2023 [1], the World Economic Outlook ('WEO') issued by the International Monetary Fund ('IMF') estimated a global economic growth of 3.0 % for 2023, which was reported slightly higher (3.1 %) on its update published in January 2024[2]. According to IMF this remains well below the historical average. Despite the disruption in energy and food markets caused by the war, and the unprecedented tightening of global monetary conditions to combat decades-high inflation, the global economy has slowed, but not stalled.

After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia's war in Ukraine, and increasing geo economic fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events.

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its pre pandemic path. The Euro area has also recovered, though less strongly—with output still 2.2 % below pre pandemic projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices[1].

Global headline inflation has more than halved, from its peak of 11.6 % in the second quarter of 2022 (at a quarterly annualized rate) to 5.3 % in the second quarter of 2023[1] due to tighter monetary policy aided by lower international commodity prices. Global inflation rose to 6.8 % in 2023[2].

3.1.1 International Market

The war in Ukraine and cuts of natural gas supplies from Russia have led to a severe energy crisis in Europe. Economies heavily dependent on Russian energy imports experienced a steeper increase in energy prices and a sharper slowdown. According to IMF the pass-through from higher energy prices played a large role in driving core inflation upward in the Euro area, unlike in the United States, where core inflation pressures reflect instead a tight labor market[1].

From an economic point of view, the IMF estimated that the Euro area grew by 0.5 % in 2023[2]. In September 2023, the expected average inflation in the Euro area for 2023 was 5.6 %[3]. The European Central Bank ("ECB") has raised its policy rate by 2.0 p.p. in 2023[4]. According to ECB, lower demand for the Euro area's exports and the impact of tight financing conditions are dampening growth, including through lower residential and business investment. Over time, economic momentum should pick up, as real incomes are expected to rise, supported by falling inflation, rising wages and a strong labour market, and this will underpin consumer spending.

According to the IMF, the economy of the United Kingdom grew by 0.5 % in 2023 (preliminary estimate as of January 2024)[3]. The decline in growth reflects tighter monetary policies to curb still-high inflation and lingering impacts of the terms-of-trade shock from high energy prices. The annual Inflation in the UK reached 4.0%[5]. As a result, the Bank of England raised its policy rate to 5.25 % and intends to keep interest rates high enough for long enough to get inflation back to the 2 % target[6].

In respect of other international markets, in 2023 the economy grew by 1.8 % in Australia (preliminary estimate as of January 2024)[2].

3.1.2 North America Market

According to the January 2024 update of WEO, the economy of the United States grew by 2.5 % in 2023 (preliminary estimate as of January 2024)[2], partially due to lower exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. Headline inflation in the second quarter of 2023 more than halved in comparison to the previous year and reached 2.7 %[1]. In the United States, labor market tightness has been an especially strong driver for the stickiness core inflation. Although the US labor market remains tight, the recent decline

[1] https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023
[2] https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
[3] https://www.ecb.europa.eu/pub/economic-bulletin/html/eb202306.en.html
[4] https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html
[5] https://www.ons.gov.uk/economy/inflationandpriceindices
[6] https://www.bankofengland.co.uk/monetary-policy-report/2023/november-2023

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in the ratio of vacancies to the number of unemployed people suggests some easing, according to IMF[1]. The Federal Reserve has increased the federal funds target rate by 100 basis points since early 2023[1].

According to the January 2024 update of WEO, the economy of Canada grew by 1.1 % in 2023[2]. Following a strong recovery from the pandemic recession, Canada's economy has remained resilient. The unemployment rate remains low, over a million more Canadians are employed compared to when the pandemic hit, and wage growth has outpaced inflation for the past nine months. The International Monetary Fund (IMF) projects that Canada's economic plan will deliver the strongest economic growth in the G7 next year, despite a subdued global economic outlook. Yet it continues to remain a challenging time for Canadians owing to high housing costs and still elevated consumer prices. To curb inflation the world's central banks have implemented the steepest series of interest rate increases which has to led to slowing of the Canadian economy. The governments economic plan is helping the country navigate these economic headwinds[3].

3.2 Food Market Condition

According to a recent study by eMarketer[4], in 2023, online grocery sales in the US are expected to hit USD 185.6 billion, spurred by hundreds of millions of digital grocery buyers across the country. This sales figure is forecast to mark an 18.5 % Y-o-Y increase. By 2027, the US online grocery market is expected to nearly double, and be worth USD 341.5 billion, growing at a CAGR of 16.9 %. According to a report from the consulting firm Strategy&[5], by 2030, online grocery shopping sales in Europe could also more than double from current levels.

With our eighteen countries of operation, we are currently covering markets with approximately 322 million households in total. We seek to tap into these households through our quantitatively calibrated paid marketing channels, indirect marketing campaigns, through referrals from our customer base consisting of 6.64 m active customers (in the three months ending 31 December 2023), and by reactivation of former customers. We believe that growth in our markets will be driven by the fundamental tailwinds that are shifting consumer behaviors towards a healthier, and more food conscious lifestyle, a focus on both cognitive and physical convenience, a trend towards customers seeking sustainable higher quality solutions, and a general trend towards food purchases online. Our ongoing investment in service and product development is aligned to these trends as a foundation for our growth outlook.

In many of our operating markets, inflationary factors played a role in upward pricing pressure for consumers in 2023. This is driven by substantial ingredient cost inflation, increased labor costs, higher fuel prices for transportation and distribution, as well as inflation in packaging materials. As a centrally fulfilled, directly sourced food solutions company, HelloFresh is well positioned to deliver real terms pricing benefit to consumers versus traditional retail competitors in such an environment.

There are several direct and indirect competitors for meal-kit solutions in each of the individual markets in which we operate. Among the direct competitors of size are companies such as Home Chef in the USA, Gousto in the UK, Marley Spoon in Australia and the US, Cheffelo in the Nordics region, and Good Food in Canada. Our ready-to-eat offer in the US directly competes with a number of small scale players such as Tovala, CookUnity and Daily Harvest, and in Australia it competes directly with several other players.

In addition, we also indirectly compete with online and/or offline grocery stores and grocery delivery platforms, supermarket chains as well as with restaurants and takeout platforms.

3.3 Course of business

Against various uncertainties in the macroeconomic environment, HelloFresh has experienced a more soft and somewhat flat year-on-year growth in 2023. On a constant currency basis, the revenue increased by 2.8% compared to 2022. The difference between Euro-reported revenue and the underlying growth on a constant currency basis is due to a year-on-year weakening of the US and Canadian Dollar for the North America segment, and mostly the Australian Dollar and British Pound for the International segment. This growth rate in constant currency is the result of: (i) a meaningful increase in average order value of 7.8 % on a constant currency basis and (ii) a 4.7 % decrease in the total number of orders; the latter is driven by a year-on-year decrease in quarterly active customers in 2023, while average orders per customers increased year-on-year for the same period. Growth in average order value was driven by the take-up of more meals per order, add-ons, increased take-up of surcharge products per order, year-on-year price increases in several markets and increased popularity of our US ready-to-eat brand Factor. Economic uncertainties have a direct impact on consumer behavior, whether it be geopolitical tensions, fluctuating markets, or the aftermath of global events. Owing to

[1] https://www.federalreserve.gov/monetarypolicy/openmarket.htm
[2] https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
[3] https://www.budget.canada.ca/fes-eea/2023/report-rapport/overview-apercu-en.html
[4] https://www.oberlo.com/statistics/online-grocery-market
[5] https://www.strategyand.pwc.com/de/en/industries/consumer-markets/future-of-grocery-shopping.html

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the pervasive impact of inflation consumers are embracing frugality and conscious spending behavior, which has also led to a decrease in the number of orders for the whole year by 4.7 %.

HelloFresh is subject to certain macroeconomic trends, including rising inflation for ingredients, fuel and labor costs, which also impacts customer behavior. The Group also sees a normalization of its marketing expenses, coming out of the COVID-19 period and continues on its investment plan in capacity expansion, infrastructure and people. As a result, the Group's AEBITDA has decreased to MEUR 447.6 in 2023 (2022: MEUR 477.4).

For the North America segment, which as of January 2023 includes HelloFresh's Canadian operations (previously included in the International segment; comparative period adjusted accordingly), HelloFresh reported flat revenues with a full year revenue growth rate of 3.8 % on a constant currency basis. Our North America segment achieved an AEBITDA of MEUR 417.4 in 2023 (2022: MEUR 437.2).

For the International segment, HelloFresh revenue remained almost flat with a growth rate of 0.7 % in 2023 on a constant currency basis. This was mostly due to a decreased number of orders and higher average order values within our existing markets. As a result of ongoing investments in customer growth, menu extension, and geographic expansion, our International segment achieved an AEBITDA of MEUR 175.3 in 2023 (2022: MEUR 172.4).

Please refer to NOTE 5 of the consolidated financial statements for the full information on performance of the operating segments.

3.4 HelloFresh Share and Share Capital Structure

The HelloFresh shares are listed on the Frankfurt Stock Exchange (Prime Standard).The stock is currently included the MDAX Index. Additionally, the HelloFresh shares are also member of 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.

HelloFresh's share price decreased by 30 % during 2023.

The HelloFresh Share

Type of shares	**Ordinary bearer shares with no par value**
Share Capital	EUR 173,190,562
Number of shares issued	173,190,562
Total number of shares outstanding at 31 Dec 23 (net of Treasury shares)	171,110,806
ISIN	DE000A161408
WKN	A16140
Share Performance 2023	
High 2023 (14 September 2023)	EUR 33.95
Low 2023 (30 November 2023)	EUR 14.02
Closing Price (29 December 2023)	EUR 14.31
Trading Liquidity 2023	
Average daily trading volume (shares)*	890,786
Average daily trading volume 2023 (EURm)*	19.0

*Based on trading on XETRA

For further details in respect to share capital structure refer to the NOTE 17 to the Consolidated Financial statements.

3.5 Overall Statement of the Management Board on the Course of Business and Economic Environment

The 2023 reporting period was a year of a more soft and somewhat flat year-on-year growth, against various uncertainties in the macroeconomic environment. Despite the varied challenges we reached a constant currency revenue growth in 2023 of 2.8 % year on year, and AEBITDA of MEUR 447.6. Total number of orders for 2023 comprised of 119.27 million (2022: 125.13 million). Although HelloFresh experienced a 4.7 % decrease in the total number of orders, it has observed a meaningful increase in average order value of 7.8 % on a constant currency basis. So far, we have successfully controlled meaningful inflation without just passing it through to our customers, we have further improved customer experience, by adding more meals to our menus. In parallel, we have invested MEUR 250.4 of capital expenditure primarily into the expansion of fulfilment capacity across our meal kit and ready-to-eat fulfilment centers.

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We have also invested into the further expansion of our technology teams to deliver robust operational and product development that ensures the ongoing growth of the business. Lastly, we have continued to deliver on our program of adding new brands and geographic expansion of the existing brands across the Group.

Overall, we are satisfied with the progress we have made in 2023, while navigating a number of macroeconomic challenges, such as inflation and a reduction in consumer confidence. We are proud to have delivered 1,008.7 million meals to our customers during 2023. Even though the current global economic situation confronts us with more uncertainty, we consider ourselves in a good position to further expand our global leadership role and progress towards our strategic objectives.

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4. Position of the Group

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

4.1 Earnings Position of the Group

In 2023 HelloFresh recorded revenue of MEUR 7,596.6, which is substantially stable compared to prior year (2022: MEUR 7,607.2). On a constant currency basis, the revenue increased by 2.8 % compared to 2022. The difference between Euro-reported revenue and the underlying growth on a constant currency basis is due to a year-on-year weakening of the US and Canadian Dollar for the North America segment, and mostly the Australian Dollar and British Pound for the International segment. This growth rate in constant currency is the result of: (i) a meaningful increase in average order value of 7.8 % on a constant currency basis and (ii) a 4.7 % decrease in the total number of orders; the latter is driven by a year-on-year decrease in quarterly active customers in 2023, while average orders per quarterly active customers increased year-on-year. Quarterly active customers were 6.64 m in Q4 2023 compared to 7.11 m in Q4 2022 (of which an estimated 0.13 m were customers of more than one brand of the HelloFresh Group counting each as two or more active customers, in both years).

Contribution margin (excluding shared-based compensation expenses) as a percentage of revenue in 2023 increased to 26.9 % compared to 25.5 % in the prior year. Procurement expenses as a percentage of revenue increased from 34.4 % in 2022 to 35.2 % in 2023 due to (i) certain inflationary cost increases in ingredient pricing, and (ii) a higher share of ready-to-eat, which includes meal production costs in procurement expenses that are not incurred to the same extent for meal-kit production. Fulfilment expenses as a percentage of revenue decreased from 40.4 % in 2022 to 38.3 % in 2023, improving by 2.0pp, primarily driven by improved relative pick & pack expenses in both segments, efficiencies in other areas, such as shipping and packaging a higher share of RTE volume, which has lower pick & pack expenses.

Marketing expenses (excluding share-based compensation expenses) as a percentage of revenue increased to 18.8 % in 2023 compared to 16.8 % in 2022. This is partly due to a more normalized marketing spending in 2023, compared to 2022, the continued ramp-up of our RTE business and somewhat higher customer acquisition costs stemming from a more uncertain macro environment.

General and administrative expenses, and other operating income and expenses as a percentage of revenue increased to 6.0 % in 2023, compared to 5.4 % in 2022. In absolute terms, it represents an increase from MEUR 414.6 in 2022 to MEUR 457.3 in 2023, which is mainly driven by the change in the share-based compensation. General and administrative expenses, and other operating income and expenses (excluding share-based compensations expenses) as a percentage of revenue slightly increased from 5.2 % in 2022 to 5.5 % in 2023.

The Group reported EBIT of MEUR 112.5 in 2023, a positive margin of 1.5 % compared to a margin of 2.9 % in 2022. This is a result of the factors described above.

During 2023 special items amounted to MEUR 21.7 (2022: MEUR 38.7) net. The special items in 2023 primarily relates to reorganization initiatives for MEUR 9.7 (2022: MEUR 21.4, including MEUR 5.6 of impairment loss due to reorganization initiatives), mainly in the US and UK (2022: mainly in US and Japan); the acquisition related management incentive programs that are in place for Factor and Youfoodz for MEUR 6.3 (2022: MEUR 13.8) and one-off costs related to labor law changes in the US for MEUR 4.4 (2022: MEUR 0.0).

Share-based compensation expenses for the year 2023 amounted to MEUR 82.0 (2022: MEUR 55.5). The increase is mainly caused by the increased number of participants in the program, net off by positive revaluation impact of certain cash-settled plans amounting to MEUR 1.8, which had a positive MEUR 16.7 revaluation impact in 2022.

AEBITDA amounts to MEUR 447.6, a positive margin of 5.9 % for the year 2023, compared to MEUR 477.4 and a margin of 6.3 % in 2022.

AEBIT amounts to MEUR 216.3, a positive margin of 2.8 % for the year 2023, compared to MEUR 311.6 and a margin of 4.1% in 2022.

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In MEUR	2023	2022	YoY
Revenue	7,596.6	7,607.2	(0.1 %)
Procurement expenses	(2,675.6)	(2,620.3)	2.1 %
% of revenue	(35.2 %)	(34.4 %)	(0.8 pp)
Fulfilment expenses	(2,910.7)	(3,070.7)	(5.2 %)
% of revenue	(38.3 %)	(40.4 %)	2.0 pp
Contribution margin	2,010.3	1,916.2	4.9 %
% of revenue	26.5 %	25.2 %	1.3 pp
Contribution margin (excl. SBC)	2,040.6	1,942.5	5.1 %
% of revenue	26.9 %	25.5 %	1.3 pp
Marketing expenses	(1,440.5)	(1,284.2)	12.2 %
% of revenue	(19.0 %)	(16.9 %)	(2.1 pp)
Marketing expenses (excl. SBC)	(1,429.2)	(1,274.7)	12.1 %
% of revenue	(18.8 %)	(16.8 %)	(2.1 pp)
General and administrative expenses, other operating income and expenses	(457.3)	(414.6)	10.3%
% of revenue	(6.0 %)	(5.4 %)	(0.6 pp)
General and administrative expenses, other operating income and expenses (excl. SBC)	(416.8)	(395.0)	5.5 %
% of revenue	(5.5 %)	(5.2 %)	(0.3 pp)
EBIT	112.5	217.4	(48.2 %)
% of revenue	1.5 %	2.9 %	(1.4 pp)
Depreciation, amortization and impairment	231.3	165.8	39.5 %
EBITDA [1]	343.8	383.2	(10.3 %)
% of revenue	4.5 %	5.0 %	(0.5 pp)
Special items	21.7	38.7	(43.8 %)
Share-based compensation expenses	82.0	55.5	47.9 %
AEBITDA	447.6	477.4	(6.3 %)
% of revenue	5.9 %	6.3 %	(0.4 pp)
AEBIT	216.3	311.6	(30.6 %)
% of revenue	2.8 %	4.1 %	(1.2 pp)

[1] During the year 2023 the Group has amended its determination of EBITDA to exclude impairment of property, plant and equipment and intangible assets, which management considers to be akin to depreciation and amortization expenses. The comparative information was not adjusted for this change as there were no material impairment losses on non-current non-financial assets recognized in 2022.

4.2 Financial Position of the Group

The cash flow from operating activities in 2023 amounted to MEUR 383.8 compared to MEUR 313.4 in 2022. This increase was mainly driven by: (i) changes in operating working capital which provided an inflow of MEUR 90.1 in 2023 vs. MEUR 53.5 in 2022 and (ii) lower income taxes paid during the current period amounting to MEUR 120.9 compared to MEUR 120.9 in 2022.

The cash flow from investing activities amounted to MEUR 339.6 in 2023 (2022: MEUR 443.8). The outflow was mostly impacted by the last tranche of the earn-out payment for the Factor acquisition (MEUR 34.5) and the capital expenditure (MEUR 305.8) related to the purchase of property, plant and equipment, intangible assets, and software development. The year-on-year Capex decreased as several investment programs are approaching their completion. In the US for example, HelloFresh has completed the construction of its new ready-to-eat production site in Arizona, which launched production towards the end of September 2023. In International, the company launched a more automated facility in Germany and dedicated production facilities in France and Sweden, while progressing the build out of a facility in the UK.

The cash flow used in financing activities amounted to MEUR 110.8 in 2023 (2022: MEUR 204.3). This primarily consists of lease principal repayments (in accordance with IFRS 16) amounting to MEUR 75.6 (2022: MEUR 60.9), share buy back of MEUR 30.2 (2022: MEUR 125.1), and purchase of outstanding HelloFresh convertible bonds amounting to MEUR 2.8 (2022: nil).

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In MEUR	2023	2022
Cash and cash equivalents at the beginning of the year	**504.0**	**827.1**
Net Cash flows from operating activities	383.8	313.4
Net Cash flows used in investing activities	(339.6)	(443.8)
Thereof related to acquisition of companies	(34.5)	(25.6)
Net Cash flows (used in) from financing activities	(110.8)	(204.3)
Effects of exchange rate changes and other changes on cash and cash equivalents	(4.2)	11.5
Cash and cash equivalents at the end of the year	**433.1**	**504.0**

The Group's free cash flow is as below:

In MEUR	2023	2022
Cash Flow from operating activities	383.8	313.4
Capital expenditure	(305.8)	(417.5)
Free Cash Flow for the year (excl. repayment of lease liabilities)	**78.0**	**(104.0)**
Repayment of lease liabilities (excl. interest)	(75.6)	(60.9)
Free Cash Flow for the year (incl. repayment of lease liabilities)	**2.4**	**(164.9)**

HelloFresh maintained a strong cash level at MEUR 433.1. In addition, the Company has a revolving credit facility of MEUR 400.0, of which MEUR 365.5 were not utilized, and available at the end of 2023. Overall the company targets to maintain a strong capital structure and liquidity position with only moderate leverage ratios throughout the cycle.

The Group has further implemented cash pooling arrangements within both the North America and International segments to concentrate more of its liquidity at the level of HelloFresh SE.

Financial risk management policies are disclosed in Note 34 to the consolidated financial statements.

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4.3 Asset Position of the Group

As of 31 December 2023, property, plant and equipment, net of depreciation, amounted to MEUR 1,298.9 (2022: MEUR 1,165.8). This includes, net of depreciation: (i) MEUR 504.8 of IFRS16 related right-of-use assets (2022: MEUR 472.1), primarily composed of our fulfilment centers across our markets, and (ii) MEUR 794.1 of other tangible fixed assets (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 from MEUR 100.2 in 2022 to MEUR 114.5 in 2023, mainly driven by capitalization of internally developed software (see Section 4.2 Research and Development), offset by amortization for the year. Goodwill remained broadly stable at MEUR 276.0 (2022: MEUR 284.7) and its fluctuation is related to changes in foreign currency.

In MEUR	As at 31-Dec-23	As at 31-Dec-22
Assets		
Non-current assets	1,756.4	1,623.0
Cash and cash equivalents	433.1	504.0
Other current assets	391.7	408.2
Total assets	**2,581.3**	**2,535.2**
Equity and liabilities		
Equity	1,019.0	959.6
Non-current liabilities	649.3	605.1
Current liabilities	913.0	970.5
Total equity and liabilities	**2,581.3**	**2,535.2**

As of 31 December 2023, the Group's current assets and liabilities mainly consist of cash and cash equivalents MEUR 433.1 (2022: MEUR 504.0), other current financial liabilities of MEUR 115.5 (2022: MEUR: 130.9) and of working capital. HelloFresh's operating working capital consists of trade receivables of MEUR 17.8 (2022: MEUR 21.0), inventories of ingredients, packaging material, and WIP and finished goods of MEUR 222.4 (2022: MEUR 266.7), trade payables (excluding Capex payables) of MEUR 543.7 (2022: MEUR 508.4), deferred revenue of MEUR 93.6 (2022: MEUR 103.2), and other components of operating working capital MEUR (4.4) (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 primarily include: (i) lease liabilities under IFRS 16 of MEUR 440.8 (2022: MEUR 415.7), which increased mainly due to the addition of leases for offices, power grids, fulfilment centers across various geographies. and vehicles in the US, Benelux and France as well as modifications due to higher rents as driven by CPI increase, and (ii) the debt portion of a five year convertible bond of MEUR 163.7 issued in 2020 (2022: MEUR 160.6). During 2023, the Group has repurchased convertible bonds with a nominal amount of MEUR 3.0 at a weighted average transaction price of 93.04 %. The outstanding convertible bonds maturing in 2025 included within financial liabilities amount to MEUR 163.7 and the equity component amounts to MEUR 26.0.

For the year ended 31 December 2023 the Group incurred capital expenditures in amount of MEUR 128.9 which relate to the North America Segment and MEUR 148.9 relating to the International segment.

The capital commitments of the Group are disclosed in NOTE 27. These are planned to be financed out of positive operating cash flows.

During the current year, the equity increased from MEUR 959.6 as of 31 December 2022 to MEUR 1,019.0 as of 31 December 2023. The equity ratio changed to 39.5 %, compared to 37.9 % in 2022. The Group's equity to capital employed ratio was to 79.1 % in 2023 (2022: 80.3 %) (see NOTE 25).

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4.4 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 Group 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.

4.4.1 Financial Performance of North America Segment

External €-reported 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 0.8 % from MEUR 4,963.1 in 2022 to MEUR 5,002.8 in 2023. On a constant currency basis, this represents a 3.8 % growth rate. In line with trends described for the Group, the increase is driven mainly by: (i) a meaningful increase in average order value of 8.6 % on constant currency, and (ii) a 4.4 % decrease in the total number of orders; the latter is driven by a year-on-year decrease in quarterly active customers in 2023, while average orders per quarterly active customers increased year-on year. Within the segment, we have experienced continued strong year-on-year growth in RTE business, while meal kits revenue experienced negative growth.

The contribution margin (excluding shared-based compensation expenses) as a percentage of revenue increased from 27.3 % in 2022 to 29.0 % in 2023. Procurement expenses as a percentage of revenue increased from 31.5 % in 2022 to 33.1 % in 2023 due to the factors described at Group level. Fulfillment expenses as a percentage of revenue improved, and decreased by 3.1pp from 41.5 % in 2022 to 38.4 % in 2023, mostly driven by improvements on several key cost line items, including production in fulfilment centers.

In line with the trend at the Group level, marketing expenses (excluding shared-based compensation expenses) as a percentage of revenue increased from 17.4 % in 2022 to 19.6 % in 2023 mostly due to the reasons described on Group level in Section 4.3.

General and administrative expenses, and other operating income and expenses (excluding share-based compensation expenses and holding fee) as percentage of revenue remained stable at 3.4 % in 2023 as compared to 3.3% in 2022.

Reported EBIT (excluding holding fee) decreased to MEUR 249.6 in 2023, a positive margin of 5.0 %, compared to MEUR 293.1, a positive margin of 5.9 % in 2022. This is a result of the factors described above.

AEBITDA decreased to MEUR 417.4, a positive margin of 8.3 %, compared to MEUR 437.2, and a margin of 8.8 % in 2022.

AEBIT decreased to MEUR 312.7 a positive margin of 6.2 %, compared to MEUR 359.3, and a margin of 7.2 % in 2022.

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In MEUR	2023	2022 [1]	YoY
Revenue (total)	5,039.4	4,988.2	1.0 %
Revenue (external)	5,002.8	4,963.1	0.8 %
Procurement expenses	(1,668.6)	(1,572.8)	6.1 %
% of revenue	(33.1%)	(31.5 %)	(1.6 pp)
Fulfilment expenses	(1,934.8)	(2,072.0)	(6.6 %)
% of revenue	(38.4%)	(41.5%)	3.1 pp
Contribution margin	1,435.9	1,343.3	6.9 %
% of revenue	28.5 %	26.9%	1.6 pp
Contribution margin (excl. SBC)	1,460.2	1,364.1	7.0 %
% of revenue	29.0 %	27.3%	1.7 pp
Marketing expenses	(997.4)	(873.0)	14.2 %
% of revenue	(19.8 %)	(17.5 %)	(2.3 pp)
Marketing expenses (excl. SBC)	(990.1)	(867.2)	14.2 %
% of revenue	(19.6 %)	(17.4 %)	(2.2 pp)
General and administrative expenses, other operating income and expenses	(338.8)	(344.2)	(1.6 %)
% of revenue	(6.7 %)	(6.9 %)	0.2 pp
Thereof Holding fee	(149.9)	(167.0)	(10.2 %)
General and administrative expenses, other operating income and expenses (excl. SBC and holding fee)	(173.4)	(166.1)	4.4 %
% of revenue	(3.4 %)	(3.3 %)	(0.1 pp)
EBIT	99.6	126.1	(21.0 %)
% of revenue	2.0 %	2.5 %	(0.5 pp)
EBIT (excl. holding fee)	249.6	293.1	(14.8 %)
% of revenue	5.0 %	5.9 %	(0.9 pp)
Depreciation, amortization and impairment	104.6	77.8	34.4 %
EBITDA [2] (excl. holding fee)	354.2	370.9	(4.5 %)
% of revenue	7.0 %	7.4 %	(0.4 pp)
Special items	16.0	28.6	(44.1 %)
Share-based compensation expenses	47.2	37.7	25.2 %
AEBITDA	417.4	437.2	(4.5 %)
% of revenue	8.3 %	8.8 %	(0.5 pp)
AEBIT	312.7	359.3	(13.0 %)
% of revenue	6.2 %	7.2 %	(1.0 pp)

[1] Numbers reflect the new segment composition, with Canada as part of the North America Group

[2] During the year 2023 the Group has amended its determination of EBITDA to exclude impairment of property, plant and equipment and intangible assets, which management considers to be akin to depreciation and amortization expenses. The comparative information was not adjusted for this change as there were no material impairment losses on non-current non-financial assets recognized in 2022.

4.4.2 Financial Performance of International Segment

External €-reported revenue of the International segment decreased by 1.9 % from MEUR 2,643.9 in 2022 to MEUR 2,593.8 in 2023. On a constant currency basis, revenue increased by 0.7%. In line with the trends described on Group level, this increase is due to: (i) an increase in the average order value of 6.2 % on constant currency, and (ii) a 5.1 % decrease in the total number of orders; the latter is driven by a year-on-year decrease in quarterly active customers in 2023, while average orders per quarterly active customers increased year-on year. The segment revenue development was primarily driven by our meal kits business, as RTE so far only represents a small part of the segment.

Contribution margin (excluding shared-based compensation expenses) of our International segment as a percentage of revenue increased from 23.2 % in 2022 to 24.3 % in 2023 on an annual basis. Procurement expenses as percentage of revenue decreased to 38.4 % in 2023 compared to 39.3 % in 2022, despite certain underlying inflationary trends in food pricing. Fulfilment expenses as percentage of revenue remains mostly stable at 37.4 % in 2023 (2022: 37.6 %).

Marketing expenses (excluding shared-based compensation expenses) as a percentage of revenue increased from 15.1% in 2022 to 16.3 % in 2023, which was mainly driven by the factors described on Group level.

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General and administrative expenses, and other operating income and expenses (excluding share-based compensation expenses and holding fee) as a percentage of revenue increased from 4.4 % in 2022 to 4.7 % in 2023.

Reported EBIT (excluding holding fee) decreased to MEUR 77.8 in 2023, a margin of 3.0 %, compared to MEUR 106.7, and a margin of 4.0 % in 2022. This is a result of the factors described above.

AEBITDA increased to MEUR 175.3, reflecting a margin of 6.7 %, compared to MEUR 172.4, and a margin of 6.5 % in 2022. This is driven by the trends described above.

AEBIT decreased to MEUR 90.8, reflecting a positive margin of 3.5 %, compared to MEUR 108.2, and a margin of 4.1 % in 2022.

In MEUR	2023	2022 [1]	YoY
Revenue (total)	2,621.9	2,662.0	(1.5 %)
Revenue (external)	2,593.8	2,643.9	(1.9 %)
Procurement expenses	(1,007.0)	(1,047.4)	(3.9 %)
% of revenue	(38.4 %)	(39.3 %)	0.9 pp
Fulfilment expenses	(980.1)	(1,000.4)	(2.0 %)
% of revenue	(37.4 %)	(37.6 %)	0.2 pp
Contribution margin	634.9	614.2	3.4 %
% of revenue	24.2 %	23.1 %	1.1 pp
Contribution margin (excl. SBC)	638.0	617.9	3.3 %
% of revenue	24.3 %	23.2 %	1.1 pp
Marketing expenses	(428.2)	(402.5)	6.4 %
% of revenue	(16.3 %)	(15.1 %)	(1.2 pp)
Marketing expenses (excl. SBC)	(426.5)	(400.8)	6.4 %
% of revenue	(16.3 %)	(15.1 %)	(1.2 pp)
General and administrative expenses, other operating income and expenses	(185.3)	(183.8)	0.8 %
% of revenue	(7.1 %)	(6.9 %)	(0.2 pp)
Thereof Holding fee	(56.4)	(78.8)	(28.4 %)
General and administrative expenses, other operating income and expenses (excl. SBC and holding fee)	(124.2)	(117.3)	5.9 %
% of revenue	(4.7 %)	(4.4 %)	(0.3 pp)
EBIT	21.4	27.9	(23.3 %)
% of revenue	0.8 %	1.0 %	(0.2 pp)
EBIT (excl. holding fee)	77.8	106.7	(27.1 %)
% of revenue	3.0 %	4.0 %	(1.0 pp)
Depreciation, amortization and impairment	84.6	64.3	31.6 %
EBITDA [2] (excl. holding fee)	162.3	171.0	(5.1 %)
% of revenue	6.2 %	6.4 %	(0.2 pp)
Special items	3.4	8.3	(59.0 %)
Share-based compensation expenses	9.6	(6.9)	(239.1 %)
AEBITDA	175.3	172.4	1.7 %
% of revenue	6.7 %	6.5 %	0.2 pp
AEBIT	90.8	108.2	(16.1 %)
% of revenue	3.5 %	4.1 %	(0.6 pp)

[1] Numbers reflect the new segment composition, with Canada as part of the North America segment.

[2] During the year 2023 the Group has amended its determination of EBITDA to exclude impairment of property, plant and equipment and intangible assets, which management considers to be akin to depreciation and amortization expenses. The comparative information was not adjusted for this change as there were no material impairment losses on non-current non-financial assets recognized in 2022.

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5. Risk and Opportunity Report

We define risks as the possibility of negative deviations of actual business performance from the planned targets or objectives, while opportunities represent the possibility of positive deviations. The Management Board of HelloFresh SE bears the overall responsibility for establishing and operating an effective risk management system for HelloFresh. This is achieved by assigning the identification, assessment, response, and monitoring process of key risks and opportunities to risk managers with support from Internal Audit. We do not seek to avoid risks at all costs, but rather to carefully weigh the opportunities and risks associated with our decisions and our business activities from a well-informed perspective. Against this backdrop, opportunities should be exploited to generate income or increase the company's value and risks should be assumed only if they remain within appropriate limits that are acceptable to the company. Thus, risks should be limited to a level deemed acceptable by the company's management by taking appropriate measures, be transferred to third parties in full or in part, or, in those cases where risk mitigation is not considered advisable, be avoided or monitored closely. All employees are bound to act in the interest of the company and thus manage risks appropriately within their own area of responsibility.

Whilst overall responsibility for risk management lies with the Management Board, the Risk Management function coordinates the risk management activities, aggregates risks up to the Group level, reports risks, and monitors the completeness of the required risk reports. The operational management of individual risks falls primarily within the area of responsibility of the respective functional departments and country organizations. This includes the timely detection, identification, assessment, response, monitoring, documentation, and reporting of processes. Responsibility for the management of opportunities is taken by the operational departments, country organizations, and their management.

In accordance with sections 315b and 315c in conjunction with 289c to 289e of the German Commercial Code (Handelsgesetzbuch; "HGB"), HelloFresh SE is obliged to issue a Group non-financial report. The report requires HelloFresh to disclose any material non-financial risks, defined as the risk of HelloFresh's business model impacting non-financial aspects such as the environment and the communities that we operate in. A risk assessment conducted at the end of 2023 did not identify any non-financial risks regarding HelloFresh business activities, business relations, products or services which are very likely to have an adverse impact on the non-financial aspects deemed material for the business. Further detail will be included in the 2023 Group non-financial report, to be published in March 2024.

5.1 Risk Report

The risk management function is responsible for the identification of the key risks and for analyzing, managing, monitoring and counteracting these with appropriate measures. This process is carried out via a risk management system (hereafter "RMS") that is used to support business operations, provide consistency in dealing with all risks and ultimately to ensure compliance with regulatory requirements. The structures and processes of the RMS at HelloFresh are based on the internationally recognized COSO framework. This links the risk management process to the internal control system.

Risks are documented and assessed by the appropriate owners throughout the Company. The RMS is designed to be able to support the decision-making process and to improve reporting through consistency, comparability, and transparency of information. The risk management function continually updates and develops the risk management matrix and methodology.

A comprehensive risk assessment is performed on a bi-annual basis and documented as part of the bi-annual risk report. The risk report highlights the business risks that HelloFresh considers itself exposed to and how these are mitigated. The aim of this report is to provide the Management Board and the Audit Committee of the Supervisory Board with relevant information on HelloFresh's risk exposure and its mitigation activities to enable informed decisions to be taken and all risks appropriately addressed. Should critical issues arise, the regular reporting process is supplemented by ad-hoc reporting.

The Audit Committee of the Supervisory Board, in conjunction with the Internal Audit function and external auditors, monitors the effectiveness of the accounting-related internal control system and risk management system.

The Internal Audit function regularly reviews the functional capability and appropriateness of the risk management system and advises the different departments on best practice.

In addition, the Internal Audit function performs regular reviews of the internal control systems in place at a local and functional level, documents key issues for each control, evaluates the design and effectiveness, and provides recommendations to improve each to an appropriate level. These findings are circulated to relevant stakeholders within HelloFresh to provide guidance on the key control requirements as well as the actions needed to achieve these. The findings are also presented to the Audit Committee to assist in their assessment of the internal control environment.

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5.1.1 Countermeasures and Internal Control System

HelloFresh reviews all identified risks and opportunities twice a year to determine whether the list of risks is complete and accurate. Any amendments are documented in the comprehensive risk catalogue, which is set up as a risk and control matrix ("RCM"). For each risk a countermeasure and responsibility is assigned with the effectiveness assessed by the local or functional risk owner and reviewed by the Internal Audit and Risk department.

System of Internal Financial Reporting Controls

Internal controls over financial reporting

As a part of the internal control system, HelloFresh has implemented a system of internal controls over financial reporting. It aims to identify, evaluate, and control any risks that could influence the proper preparation of the individual and consolidated financial statements. As a core component of the accounting and reporting process, the system of internal financial reporting controls comprises preventive, detective, monitoring and corrective control measures in accounting, controlling and operational functions, which ensure a methodical and consistent process for preparing the financial statements. The control system is based on the various Company processes that have a significant impact on financial reporting.

These financial reporting control processes, relevant risks, and the evaluation of the control mechanisms, are analyzed and documented. The control mechanisms include identifying and defining processes, introducing layers of approval, applying the principle of segregation of duties, as well as identifying best practice. The control mechanisms implemented affect multiple processes and thus frequently overlap. These mechanisms, among other things, include determining principles and procedures, defining processes and controls (such as month end closing checklists and variance analysis), and introducing approval workflows and guidelines. The system of internal controls is regularly reviewed by the Internal Audit function.

Internal controls over non-financial reporting

Moreover, internal controls over financial reporting are a part of the comprehensive internal control system covering the core HelloFresh processes, including non-financial reporting. Risks identified during the risk assessment and determined by the management to be mitigated in order to achieve organization's objectives are addressed by control activities. Through policies and procedures, control activities or actions are put into place in the form of an internal control system to address those risks including our Compliance Risk Management.

Conclusion on system of internal controls [1]

Part of our internal controls system also consists of regular audits by our internal audit department, on the basis of which identified findings are followed-up and remediated. This process is typically documented in the form of internal audit reports.

5.1.2 Risk Reporting and Methodology

All risks identified are quantified based on their likelihood of occurrence as well as their potential impact and entered into the risk catalog (risk and control matrix). The probability assessment is based on a time horizon of one year forward from the appointed reporting date. In order to fully understand and highlight the effectiveness of the mitigation measures, all risks are assessed on a gross risk basis (before mitigation measures) and a net risk basis (considering existing mitigation measures).

The likelihood of occurrence refers to the statistical or estimated probability of a risk issue occurring during the time horizon under review. It is stated as a percentage. The likelihood of occurrence is determined by choosing one of the given probability ranges, which are shown in the following table:

Likelihood	Assessment
Probable	(75 % – 100 %)
Likely	(50 % – 74.9 %)
Possible	(25 % – 49.9 %)
Unlikely	(5 % – 24.9 %)
Rare	(0 % – 4.9 %)

[1] unaudited information

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The impact of a risk is considered as a deviation from HelloFresh's objectives. The impact assessment is conducted using either a quantitative scale (preferred method) or a qualitative scale (alternative method if risks cannot be quantified or qualitative aspects predominate, e.g. for compliance risks).

The quantitative classes are based on a scale according to the impact on AEBITDA and will be adjusted on an ongoing basis considering HelloFresh's growth and risk appetite. Risks that relate to interest, taxes, depreciation, amortization and impairment are assessed on the basis of their impact on net profit. The qualitative risk classes are based on criteria considering reputational damage or criminal prosecution impact effects with special focus on compliance-relevant risks.

Effect	Quantitative Assessment (preferred method)	
	Financial Impact	
5	> MEUR 175	**Severe negative** effect on business operations and profitability.
4	MEUR 90 - 175	**Major** negative effect on business operations and profitability.
3	MEUR 45 - 90	**Medium** negative effect on business operations and profitability
2	MEUR 9 - 45	**Low** negative effect on business operations and profitability
1	< MEUR 9	**Insignificant** negative effect on business operations and profitability

Based on the assessment of the likelihood of occurrence and the impact, all identified risks are classified and visualized in the following risk matrix:

Likelihood / Impact	Rare (0 % – 4.9 %)	Unlikely (5 % – 24.9 %)	Possible (25 % – 49.9 %)	Likely (50 % – 74.9 %)	Probable (75 % – 100 %)
5	MODERATE	HIGH	HIGH	VERY HIGH	VERY HIGH
4	LOW	MODERATE	HIGH	HIGH	VERY HIGH
3	LOW	MODERATE	MODERATE	HIGH	HIGH
2	VERY LOW	LOW	MODERATE	MODERATE	HIGH
1	VERY LOW	VERY LOW	LOW	LOW	MODERATE

The risk matrix facilitates the comparison of the risks and increases transparency over HelloFresh's total risk exposure. In addition, the categorization of risks from "very low" to "very high" is used to determine which risk information needs to be provided in more detail to the Management Board as well as to the Supervisory Board. Risks that could impact the ability of the Company to continue as a going concern are reported immediately once identified.

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5.1.3 Risk Areas

The table below shows HelloFresh's material risks identified in accordance with our risk assessment methodology. Material risks are defined as those that fell within the classification "high" or "very high" during the current risk assessment. There were no risks classified as "very high" in the 2022 or 2023 risk assessments.

Overview of material risks:

	2023			2022		
	Assessment	Likelihood	Impact	Assessment	Likelihood	Impact
Strategic risks						
Increasing direct or indirect competition from online or offline food companies	High	Possible	Major	High	Possible	Major
Risk of a global recession that could impact the company's growth and profitability	Moderate ↓	Possible	Medium ↓	High	Possible	Major
Legal and compliance risks						
Increased operational food safety risk due to expanding in complexity (repack, defrosting and RTE meals)	High	Possible	Major	High	Possible	Major
Operational risks						
Reliance on new customer acquisitions for growth	High	Possible	Major	High	Possible	Major
Improper / too slow reaction to crisis incidents / social media criticism	High	Possible	Major	High	Possible	Major
Inflation in ingredient prices, wages, and diesel prices	Moderate ↓	Possible	Medium ↓	High	Possible	Major

Compared to the Risk and Opportunity Report in 2022, the following changes can be noted:

While there is uncertainty about longer-term macroeconomic trends and geopolitical shifts such as conflict and political polarisation, signals from markets and central banks point to a slowdown in inflation across regions. As overall price developments begin to slow, the negative impact on the outlook for commodity, wage and energy prices in 2024 is anticipated to decline. For these reasons, we have updated our assessment of the risk of "inflation in ingredient prices, wages and diesel prices" from high to moderate. Global economic growth is expected to be challenged by geopolitical risks and economic instability. While the risk of a global recession cannot be completely ruled out, forecasts for 2024 are slightly more optimistic than for 2023. For this reason we have assumed a lower impact on the overall business, resulting in a change in the global recession risk from high to moderate.

The overall risk situation is determined by assessing the following risk clusters as the result of a consolidated consideration:

- Strategic risks,
- Legal and Compliance risks,
- Reporting and Finance risks [1],
- Operational risks, and
- Information Technology risks [2]

Strategic risks

We operate in a very competitive environment where customers have many choices when it comes to what and where to eat. This includes, but is not limited to, offerings from direct meal-kit competitors, traditional offline grocery retailers, online and offline grocery delivery service providers, visiting local restaurants, picking up pre-prepared meals, or having prepared food delivered to their homes. Market participants in all of these areas are direct or indirect competitors.

We face competition from several direct competitors that serve the meal kit and ready-to-eat meal verticals. Our competitors may also merge, form strategic partnerships, or be acquired by larger, more influential food companies, all of which could adversely affect our competitive position. In addition, as more and more companies offer their products and services online, we face competition from traditional grocers, such as Tesco, Target, Rewe, Ahold, and Walmart.

[1] No Reporting and Finance risks are considered material as of 31 December 2023.
[2] No Information Technology risks are considered material as of 31 December 2023.

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Exclusively online grocers and a number of immediate grocery delivery services continue to gain in popularity. In addition, we indirectly compete with prepared food delivery services such as Takeaway, Deliveroo or DoorDash.

HelloFresh strives to increase strategic barriers by increasing scale, strengthening customer relationships, and improving the product offering (e.g., through meal choice, personalization, customization, product quality, and convenience). Senior management constantly monitors the competitive landscape in order to appropriately address potentially adverse changes.

Legal and compliance risks

As the core of our product offering represents the plan-based sale of fresh food online directly to the consumer, we are subject to a number of laws, regulations, and risks. These comprise, among others, health and safety aspects across our supply chain and fulfilment, correct labeling of allergens, and data protection regulations.

HelloFresh operations are expanding in complexity which increases food safety risks without the correct processes and procedures in place e.g. food repacking, allergen preferences (gluten-free), and defrosting/tempering of proteins. HelloFresh has implemented a comprehensive set of measures to mitigate such risks including, defined operational requirements for repacking and a risk mitigation policy and procedure covering, but not limited to, building and fabrication requirements, hygiene, environmental monitoring and control, process control, finished product shelf life and customer cooking instructions/storage requirements.

Reporting and finance risks

HelloFresh has implemented a system of internal controls over financial reporting to manage and reduce finance and reporting risks. For details refer to [illegible] System of Internal Financial Reporting Controls.

Financial risk at HelloFresh comprises credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk). The carrying amount of the financial assets, most of which relate to cash and cash equivalents, represents the maximum exposure to a credit risk. HelloFresh manages its credit risks by placing cash with large international banks of high reputation which are investment grade rated as of the reporting period end and by monitoring the credit risk rating of payment system providers the Group cooperates with.

At the balance sheet date, HelloFresh has a strong cash position of MEUR 433.1 to finance investment activities and to provide for any business downturn contingencies. The Company also has access to additional funds, such as a MEUR 400.0 revolving credit facility, when needed, of which only MEUR 34.5 is utilized. Intragroup working capital management is supported through cash pooling arrangements. As a result, liquidity risk is considered to be moderate.

The majority of our revenue and expenses are denominated in currencies other than the Euro, including the US Dollar, the British Pound, and the Australian Dollar. Our local operations generally seek to match the expenses incurred and revenues generated in the respective currency. Thus, the foreign currency risk we face is primarily related to the operating margin we achieve in a certain market; other than that, any foreign exchange risk is primarily translational, not transactional: e.g. non-Euro monetary balances held by us are translated at the balance sheet date and consequently are affected by exchange rate fluctuations. However, cash balances in foreign currencies are typically only held centrally to fund operations in the respective countries and not for speculative purposes. In addition, the Company's Group Treasury department has defined clear maximum thresholds which can be held centrally in non-Euro currency, therefore limiting any potential devaluation risk.

As explained in [illegible] the Group does not have significant exposure to interest rate risk.

The risks arising from the use of financial instruments are discussed in [illegible] to the consolidated financial statements.

Operational risks

Our growth relies to a meaningful degree on the acquisition of new customers. HelloFresh utilizes the data it receives from its customers, such as meal choices, taste preferences, recipe ratings, etc. to constantly optimize its product to be appealing to a broad set of customers. In addition, the Group uses its data and testing capabilities to acquire new customers in the most effective manner. The use of third-party data and market studies complements these efforts.

Our customers' trust in the quality and food safety of our offering is of the greatest importance. Deemed failure to meet these expectations could strongly damage our image and reputation. For these reasons, we have dedicated food health and safety policies, procedures and teams in each of our markets and centrally. In addition, our Customer Service teams address any inbound customer complaints in a timely fashion. Our in-house Public Relations department oversees our external corporate communications. Finally, issues related to customer complaints and food safety incidents are

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escalated and addressed according to documented procedures (crisis management, product recall) and analyzed through dashboards.

5.2 Opportunities Report

HelloFresh currently operates across eighteen geographies with a total of 322 million households. Our existing customer base of 6.64 million (for the fourth quarter of 2023) represents only a fraction of this. Within our existing meal kit markets, we see more meaningful opportunities for growth by further penetrating our existing total addressable market, including through reactivation measures of previous customers, than by further entering entirely new geographies. Beyond growing market penetration in existing geographies, HelloFresh sees a number of additional long-term growth opportunities.

Further growing our RTE business in North America and through further expansion in our International segment

We have already grown our RTE revenue to MEUR 1,438.8 globally in 2023. Through the launch of our new RTE production facility in September in Arizona we can serve additional demand going forward, which is expected to continue growing meaningfully.

Following the success of Factor in the US, we also have started to offer RTE products in Canada, Australia and the Benelux markets. Besides the rapid growth we are experiencing in these markets, we are considering further geographical expansion in the EU in 2024.

Further monetization of customers

The Group is continuously expanding its offering in each market, through additional meal choice, meal occasions (such as lunch and breakfast) or add-on offerings (such as soups, desserts, bakery items, etc). The Group sees a meaningful opportunity in expanding its add-on offering further in the future and thereby expanding its product offerings to other meal occasions, which would result in an increase in average order value, revenue and profits.

Launch and ramp-up of adjacent verticals

HelloFresh has over the last two years launched two new direct-to-consumer verticals through the online premium butcher Good Chop and the pet food business The Pets Table. These businesses have the potential to become future generators of value, as they each address a large TAM to penetrate in the US and the possibility of expanding these businesses to other geographies.

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6. Outlook

6.1 Economic conditions

In October 2023, the World Economic Outlook[1] ('WEO') issued by the International Monetary Fund ('IMF') projected a global economic growth of 2.9 % for 2024. Subsequently, on its update published in January 2024[2], the forecast for 2024 was revised up marginally to 3.1 %. The upward shift for 2024 was mainly due to greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China.

Inflation is falling faster than expected in most regions and in 2024[2], in the midst of unwinding supply-side issues and restrictive monetary policy. Inflation is expected to fall to 5.8 % in 2024. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6%, than are emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1%[2]. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing decline in relative energy prices. Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024.

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

For the Eurozone, the GDP growth in the Euro area was downgraded and is expected to grow by 0.9 % in 2024[2]. One of the major drivers of this downward projection is the energy price shock due to the Russian invasion of the Ukraine.

For the United States, the IMF estimates the GDP to increase to 2.1 % in 2024, representing a upward revision of 0.6% percentage points from its previous estimate in October 2023[2].

For the United Kingdom, the IMF estimate for the GDP growth remains unchanged at 0.6 % in 2024 as it was projected in October 2023[1].

For Australia, economic growth is expected to increase to 1.4 % in 2024, which is 0.2 % higher than projected in the 2023 WEO from October 2023[2].

For Canada, the WEO Update estimates a growth of 1.4 % in 2024, which is a downward revision of 0.2% compared to its previous estimate[2].

6.2 Target attainment 2023

For the full year 2023 we have originally guided towards a revenue growth in constant currency of 2 % to 10 % in our annual report 2022. Subsequently, in our 2023 half-year report, we have adjusted that guidance to a range of 2% to 8%. Finally, in November 2023, we have adjusted the guidance to a range of 2% to 5%. We have delivered revenue growth in constant currency at the low end of this range of 2.8%.

We have also guided towards AEBITDA range of MEUR 460.0 to MEUR 540.0 in our annual report 2022. In our 2023 half-year report, we have subsequently adjusted that guidance to a range of MEUR 470.0 to MEUR 540.0 on constant currency basis. And finally, to a range of MEUR 430.0 to MEUR 470.0. We have ultimately achieved an AEBITDA of MEUR 448.

We expected order growth to be relatively muted for the full year in 2023 and constant currency revenue growth to be primarily driven by continued year-on-year growth in AOV. Through the year 2023 we achieved a meaningful increase in average order value of 7.8 % on a constant currency basis, while the total number of orders slightly decreased.

6.3 Outlook for 2024

Based on our current trading trends, we are targeting for 2024 a constant currency revenue growth of 2% - 8%, driven by broadly stable number of orders at the midpoint of the revenue growth guidance combined with modestly expanding AOV, driven by a higher share of RTE in the revenue mix. We expect our North America segment revenue to grow at a higher rate than our International segment, driven by the higher share of RTE of total NA revenue. Within RTE we expect to continue capitalizing on strong demand for our brands, as we continue to ramp-up production capacity. For meal

[1] https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023
[2] https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024

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kits, we expect to increasingly close the volume and revenue gap vs. the comparative period, as we progress through the year. We expect our ongoing investment into our physical and digital product to contribute to this trend, as well as increasingly easier comps.

From a profitability perspective the Group expects an AEBITDA for 2024 below the level reached in 2023, i.e. between EUR 350 million and EUR 400 million on Group level. This is primarily driven by: on the ready-to-eat side the continued ramp up of the Company's production capacity and elevated marketing expenses, given the strong growth in number of orders; on the meal kit side: (i) some fixed cost deleveraging impact due to lower volume, (ii) the ramp-up of two key new fulfillment centers in the Company's two largest markets within the International segment (United Kingdom and Germany/Austria), which from the fiscal year 2025 onwards are expected to deliver attractive efficiencies and (iii) further product investments.

This AEBITDA target is based on a US$ to EUR rate of c. 1.08, as well as current FX rates for our other major currencies. A strengthening of the EUR would decrease HelloFresh's reported Group AEBITDA and vice versa.

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7. Supplementary Management Report to the Separate Financial Statement of HelloFresh SE

The management report and the Group management report have been combined. The following comments are based on the accompanying HelloFresh SE stand-alone financial statements (also referred to as the 'Company') that have been prepared according to the German Commercial Code ("HGB") and the German Stock corporation Act ("AktG"). The annual financial statements and the management report will be announced in the German Federal Gazette (Bundesanzeiger).

7.1 Basic information

HelloFresh SE is the parent company of the HelloFresh Group and operates from its headquarters, located in Berlin, Germany. Operations of the Company comprise overall strategy setting, financing activities, especially funding of subsidiaries, central procurement as well as management services for the subsidiaries. Management services are provided by central functions such as tech, legal and finance as well as by operations, business intelligence and marketing teams.

HelloFresh SE is represented by its Management Board, which defines the Group strategy.

Since the statutory financial statements of HelloFresh SE were prepared according to German commercial law and the Group financial statements according to International Financial Reporting Standards ("IFRS"), differences exist regarding recognition and measurement principles. These differences primarily relate to financial instruments, share based compensation, foreign exchange differences, deferred taxes, the recognition of transaction costs within equity, as well as the capitalization regarding operating leases according to IFRS 16, convertible bond as well as put options. Furthermore, differences may exist on how income and expenses are presented within the Income Statement.

In view of HelloFresh SE, net profit is the main profitability indicator. Net profit is earnings after deduction of all expenses and taxes. The net profit for the financial year 2023 decreased from MEUR 69.4 in 2022 to MEUR 37.6, which was driven on the one hand by a decrease of the recharged value based service fees, following HelloFresh's agreed transfer pricing agreements and on the other hand the full year run on a mostly constant headcount base in SG&A that was ramping up over the comparison period 2022.

On 13 May 2020, HelloFresh issued a convertible bond with an issue size of MEUR 175.0, which matures on 13 May 2025 and has a yearly coupon of 0.75% payable semi-annually (refer to NOTE-15 for more details). On 25 October 2023, HelloFresh announced the buy-back of a part of the convertible bond. As at 31 December 2023 the Company bought back in total MEUR 3.0 of the convertible bond at nominal value at a weighted average transaction price of 93.04 %.

7.2 Performance of HelloFresh

7.2.1 Financial performance of HelloFresh SE

The financial performance for HelloFresh SE is presented in the table below.

In MEUR	2023	2022
Revenue	**584.0**	**548.0**
Cost of sales	(367.4)	(293.8)
% of revenue	(62.9%)	(53.6 %)
Gross Margin	**216.6**	**254.2**
% of revenue	37.1%	46.4 %
SG&A	(228.1)	(190.5)
% of revenue	(39.1%)	(34.8 %)
Other operating result	0.7	1.7
% of revenue	0.1%	0.3 %
Operating (loss) / profit	**(10.8)**	**65.3**
% of revenue	(1.9%)	11.9 %
Finance result	61.9	29.2
Income Taxes	(13.5)	(25.1)
Net profit	**37.6**	**69.4**

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The revenues of the HelloFresh SE majorly consist of arm's length service recharges to subsidiaries and value based service fees ('Holding Fee'). Total revenues increased from MEUR 548.0 in 2022 to MEUR 584.0 in financial year 2023.

The revenue development is driven by the increase of service recharges to subsidiaries from MEUR 301.3 in 2022 to MEUR 378.6 in 2023, which were primarily based on running the recharged service functions on a full-year broadly constant headcount basis, while headcount was ramping up over 2022. Recharges to subsidiaries comprise routine services, such as finance and legal functions, as well as centrally purchased services, such as IT licenses and marketing services. In parallel, the Holding Fee decreased from MEUR 246.0 in 2022 to MEUR 205.5 in 2023, driven by a profit reduction in selected subsidiaries that was not fully compensated by a significant increase of value based service fees from affiliated companies in the ready-to-eat business.

The increase in SG&A expenses was mainly due to an increase in the average number of employees from 1,342 in 2022 to 1,533 in 2023, driven by the expansion of the tech organization during 2022, as well as personnel additions to certain other central functions, such as operations, marketing and finance throughout 2022.

The other operating result includes unrealized and realized foreign currency effects.

The 2023 finance result increased from MEUR 29.2 in 2022 to MEUR 61.9 in 2023, which is the netted result of finance income of MEUR 71.8 (2022: MEUR 57.9) and finance expenses of MEUR 9.9 (2022: MEUR 8.7), as well as impairments on financial assets of MEUR 0.0 (2022: MEUR 19.9). In 2023 further intercompany loans to the former Japanese operative entity got impaired in the amount of MEUR 1.0. Since HelloFresh SE lost control over this entity, the impairment is part of the other operating result. The finance income mainly includes dividend distributions from subsidiaries of MEUR 47.5 (2022: MEUR 49.6) and interests on intercompany loans of MEUR 20.2 (2022: MEUR 7.7). The interest income from loans increased in 2023 due to the continued increase in risk free interest rates and derived credit risk based interest margins for intercompany financing.

With financial reporting 2022, the Company forecasted 2023 net income to be broadly on a similar level as in 2022, assuming that the total of Holding Fee, interest on intra-group loans and dividends from subsidiaries slightly increases year-on-year. While interest income on intra-group loans increased due to the interest rate dependency to EURIBOR from MEUR 7.7 in 2022 to MEUR 20.2 in 2023, the dividend distributions from subsidiaries stayed constant at MEUR 47.5 (2022: MEUR 49.6), but revenues from value based service fees decreased from MEUR 246.0 in 2022 to MEUR 205.5 in 2023. As a result of those effects, net income in 2023 developed from MEUR 69.4 in 2022 to 37.6 in 2023

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7.2.2 Net assets of HelloFresh SE

The table below represents the aggregated balance sheet of the Company:

In MEUR	2023	2022
Assets		
Intangible assets	80.9	57.0
Fixed assets	13.1	12.8
Financial assets	791.4	497.3
Intercompany receivables	137.6	374.0
Other assets	66.6	43.7
Cash and Cash equivalents	198.2	186.3
Total assets	**1,287.8**	**1,171.1**
Provisions		
Tax provisions	—	11.1
Other provisions	77.4	63.2
Total Provisions	**77.4**	**74.3**
Liabilities		
Trade liabilities	27.7	34.2
Intercompany liabilities	120.7	13.8
Long term debt	172.0	175.0
Other liabilities	2.7	23.0
Deferred tax liabilities	3.6	0.7
Total liabilities	**326.7**	**246.7**
Net assets	**883.7**	**850.2**
Equity		
Common stock	173.2	171.9
Treasury shares	(2.1)	(0.2)
Capital reserve	401.4	405.0
Accumulated profit	311.2	273.5
Total equity	**883.7**	**850.2**

The net assets of the Company are comprised primarily of financial assets, intercompany receivables as well as cash and cash equivalents.

The Intangible assets increased by MEUR 23.9 to MEUR 80.9 (2022: MEUR 57.0), mainly driven by development costs for internally generated intangible assets. These assets refer to components of the internally developed software solutions, to optimize the operating processes and systems of the business. Examples are developments on i) reliability, high-performance and scalability of the consumer core backend (MEUR 12.2; 2022: MEUR 7.2), ii) scalability and integration of the Food Supply Chain Management capabilities (MEUR 9.2; 2022: MEUR 6.1), iii) tools and systems to automate decision-making loops (MEUR 2.0; 2022: MEUR 1,3k) and iv) analytics data products to deliver towards data asset modernization and data science (MEUR 1,9; 2022: MEUR 0.9).

The financial assets mainly comprise shares in Group companies MEUR 296.9 (2022: MEUR 231.0) and non-current loans to Group companies MEUR 493.6 (2022: 265.2). Intercompany receivables decreased from MEUR 374.0 by MEUR 236.4 to MEUR 137.6, majorly driven by a decrease of current loans to Group companies from MEUR 340.7 to MEUR 74.1.

The other assets position mainly includes prepaid expenses MEUR 23.6 (2022: 23.9), corporate tax and trade tax receivable from the tax office of MEUR 20.6 (2022: MEUR 0.0) and a disagio of the convertible bond of MEUR 7.0 (2022: MEUR 12.3). Liabilities mainly comprise the debt component of the convertible bond of MEUR 172.0 (2022: MEUR 175.0).

The total provisions increased by MEUR 3.1 from MEUR 74.3 in 2022 to MEUR 77.4 in 2023, primarily due to an increase of other provisions to MEUR 77.4 (2022: MEUR 63.2), which overcompensated a reduction of tax provisions from MEUR 11.1 in 2022 to MEUR 0.0 in 2023.

Other provisions comprise primarily provisions for virtual share-based compensation plans (MEUR 64.1; 2022: MEUR 43.5), outstanding supplier invoices (MEUR 8.6; 2022: MEUR 7.4) and personnel-related obligations for accrued vacation and bonuses (MEUR 2.9; 2022: MEUR 3.0).

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7.2.3 Financial position of HelloFresh SE

HelloFresh SE holds a MEUR 400.0 revolving credit facility of which MEUR 365.5 are not utilized and available at the end of year 2023. The facility matures in 2027.

7.3 Risks and Opportunities

The business of HelloFresh SE is, in all material respects, subject to the same risks and opportunities as the Group. As HelloFresh SE is the majority owner of all country operations, it participates in the risks and opportunities associated to these operations. The overall risk assessment of management is therefore consistent with management's assessment for the Group as shown in Sections.

7.4 Outlook 2024

Due to the nature of the Company's operations, future development of the Company over longer periods of time is highly interlinked with the development of the HelloFresh Group. For 2024, we expect the Company's net income slightly below the level of 2023. We assume that a decrease in recharged Holding Fees will be not fully compensated by an increase in the financial result.

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8. Corporate Governance Statement

The corporate governance statement issued in accordance with Sec. 289f HGB and Sec. 315d HGB including the statement of conformity relating to the German Corporate Governance Code (GCGC) in accordance with Sec. 161 AktG (published in December 2023) as well as the Compensation report (to be published in March 2024) is made publicly available separately from the management report on the website of the parent Company under:

https://ir.hellofreshgroup.com/websites/hellofresh/English/4000/corporate-governance.html

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9. Combined Non-Financial Report

Our combined Non-Financial Report for HelloFresh SE and the HelloFresh Group is published separately in accordance with Section 289b through Section 289e, and in conjunction with Section 315b and Section 315c HGB. The Non-Financial Report will be made publicly available on the website of the parent Company under:

https://ir.hellofreshgroup.com/websites/hellofresh/English/2000/publications.html#publication-annual

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10. Takeover Law

Explanatory Report by the Management Board in Accordance with Sec. 176 (1) Sentence 1 AktG on Disclosures Relating to Takeover Law in Accordance with Sec. 289a Sentence 1 and 315a Sentence 1 HGB

In accordance with Sec. 176 (1) sentence 1 AktG, the Management Board of HelloFresh SE has prepared the following explanatory report on the disclosures relating to Takeover Law in accordance with Sec. 289a sentence 1 and Sec. 315a sentence 1 HGB.

Composition of subscribed capital (Sec. 289a Sentence 1 No. 1 HGB and 315a Sentence 1 No. 1 HGB)

As of 31 December 2023, the paid-in share capital amounts to EUR 173,190,562.00. The share capital is divided into 173,190,562 no-par value bearer shares representing a share of the share capital of EUR 1.00 each. The shares are fully paid in. Each share carries identical rights and obligations. Each share entitles the bearer to one vote.

Restrictions relating to the voting rights or the transfer of shares (Sec. 289a Sentence 1 No. 2 HGB and 315a Sentence 1 No. 2 HGB)

As of 31 December 2023, the Company holds shares with a nominal value of EUR 2,079,756 as treasury shares from which no rights accrue to the Company pursuant to Sec. 71b AktG.

On 25 October 2023, the Company announced to launch a buy-back program of up to EUR 150 million and a maximum of 15 million shares in the Company and a maximum of EUR 50 million nominal of convertible bonds (i.e., 500 convertible bonds). The buyback program started on 26 October 2023 and will terminate at the latest on 31 December 2024.

Direct or indirect shareholdings exceeding ten percent of the voting rights (Sec. 289a Sentence 1 No. 3 HGB and 315a Sentence 1 No. 3 HGB)

As of 31 December 2023 the following shareholders held directly or indirectly more than 10% of the voting rights in HelloFresh SE:

Baillie Gifford & Co., with registered office in Edinburgh, United Kingdom, and with 18,265,147 voting rights attributed as notified last by such shareholder, representing a stake of 11.10% of the voting rights in HelloFresh SE at the time of the voting rights notification in October 2019. The share capital of the Company and thereby the aggregate number of voting rights have been increased since May 2019, which means that the disclosed percentage interest in the share capital does not yet reflect this change.

Holders of shares with special rights conferring powers of control (Sec. 289a Sentence 1 No. 4 HGB and 315a Sentence 1 No. 4 HGB)

There are no holders of shares with special rights conferring powers of control.

Voting right control, if employees hold an interest in the capital and do not exercise their control rights directly (Sec. 289a Sentence 1 No. 5 HGB and 315a Sentence 1 No. 5 HGB)

Sec. 289a sentence 1 no. 5 HGB is not applicable.

Legal requirements and provisions of the Articles of Association relating to the appointment and removal of members of the Management Board and to amendments to the Articles of Association (Sec. 289a Sentence 1 No. 6 HGB and 315a Sentence 1 No. 6 HGB)

The Supervisory Board appoints the members of the Management Board on the basis of Art. 9 (1), Art. 39 (2) and Art. 46 of the EC Regulation on the Statute for a European company, Sec. 84 and Sec. 85 AktG and Sec. 6 (3) of the Company's Articles of Association for a term of office of no more than five years; members may be reappointed.

Under Sec. 6 (1) sentence 1 of the Company's Articles of Association, the Management Board consists of one or more members, whereas the Supervisory Board determines the number of Management Board members.

In accordance with Sec. 179 (1) sentence 1 AktG, the Annual General Meeting decides on amendments to the Articles of Association. Amendments to the Articles of Association are made in accordance with Art. 59 (1) of the EC Regulation on the Statute for a European company, Sec. 179 and Sec. 133 AktG with the exception that only a majority of 2/3 of the

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votes cast or, if at least half of the share capital is represented, only a simple majority of the votes cast is required for amending the Company's Articles of Association. However, a majority of 3/4 of the share capital represented at the Annual General Meeting is required for every amendment of the Company's Articles of Association concerning the purpose of the Company (Unternehmensgegenstand). Under Sec. 179 (1) sentence 2 AktG in conjunction with Sec. 10 (5) of the Articles of Association, the Supervisory Board is authorized to decide on amendments and supplements to the Articles of Association which relate only to the wording. In accordance with Sec. 4 (2), (4) and (5) of the Articles of Association, the Supervisory Board is authorized in particular to amend and revise Sec. 4 of the Articles of Association (Registered Share Capital) subsequent to the use of authorized or conditional capital.

Authority of the Management Board to issue or redeem shares (Sec. 289a Sentence 1 No. 7 HGB and 315a Sentence 1 No. 7 HGB)

Acquisition of treasury shares

On 12 May 2022, the Annual General Meeting of HelloFresh SE adopted a resolution authorizing the Management Board, with the approval of the Supervisory Board, to acquire until 11 May 2025 the Company's own shares representing up to 10% of the Company's capital stock existing on the date of the resolution, or if lower, on the date of exercising the authorization, provided that the principle of equal treatment (Art. 9 (1) c) (ii) of the EC Regulation on the Statute for a European company in conjunction with Sec. 53a AktG) is applied. Together with the Company's other treasury shares previously acquired and still held by the Company or which are attributable to the Company under Art. 5 of the EC Regulation on the Statute for a European company in conjunction with Sec. 71a et seq. AktG, the shares acquired under this authorization may at no time exceed 10% of the Company's share capital.

This authorization may be exercised on one or more occasions, wholly or in part, in pursuit of one or more purposes by the Company, but also by Group companies or by third parties for account of the Company or Group companies.

Among others, the acquisition of treasury shares is permitted for the following purposes:

- Shares may be cancelled and the Company's share capital may be reduced by the portion of the share capital attributable to the retired shares.
- Shares may be offered and transferred to persons who are or were employed by the Company or any of its affiliates, to board members of the Company or its affiliates or investment vehicles, or to other holders of purchase rights arising in particular from call options (issued by the Company's legal predecessors) or to holders of virtual options which have been or will be issued by the Company, the legal predecessors of the Company or their subsidiaries.
- Shares may be offered and transferred to persons who are or were employed by the Company or any of its affiliates to fulfill commitments which were granted in connection with the employment.
- With the approval of the Supervisory Board, the shares may be offered and transferred to third parties in return for non-cash contributions, in particular in connection with business combinations or the acquisition of entities, operations, business units or equity investments.
- With the approval of the Supervisory Board, the shares may be sold to third parties excluding shareholders' subscription rights in return for cash payment if the price for which the Company's shares are sold is not significantly lower than the market price of a share in the Company on the sale date.
- The shares may be used to fulfill obligations or rights to acquire shares in the Company arising from and in connection with convertible or warrant bonds or profit participation rights with convertible or option rights or obligations.

In fiscal year 2023, no treasury shares were sold or transferred. However, the Company acquired a total of 1,847,802 treasury shares as part of a share buyback program in the period from 26 October 2023 to 31 December 2023.

Authorized Capital 2022/I

The Management Board is authorized by resolution of the Annual General Meeting of 12 May 2022, with the approval of the Supervisory Board on one or more occasions, to increase the share capital by up to EUR 47,182,684.00 by issuing up to a total of 47,182,684 new no-par value bearer shares in return for cash and/or non-cash contributions by 11 May 2025 (Authorized Capital 2022/I) and, within predefined limits, to exclude the shareholders' subscription right.

After partial use of the Authorized Capital 2022/I in financial year 2022, the authorized capital at the beginning of the financial year 2023 amounted to EUR 46,982,357.00.

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In financial year 2023, certain former or present employees and/or members of the management of HelloFresh SE and/or its subsidiaries exercised certain restricted stock units and/or virtual stock options under the Group's restricted stock unit program and/or its virtual stock option programs. In order to fulfill the resulting acquisition rights of the respective beneficiaries, the Company decided to implement organized sale processes (the "Organized Processes"). The proceeds from the Organized Processes were used to settle the respective acquisition rights. To realize the Organized Processes in the needed amount, the Company's share capital was increased by using the Authorized Capital 2022/I as follows:

- in March 2023, the Company's share capital was increased by EUR 37,951.00;
- in March 2023, the Company's share capital was increased by EUR 238,384.00;
- in May 2023, the Company's share capital was increased by EUR 198,746.00;
- in August 2023, the Company's share capital was increased by EUR 331,206.00; and
- in November 2023, the Company's share capital was increased by EUR 455,897.00.

This authorized capital is listed in the commercial register as Authorized Capital 2022/I (Genehmigtes Kapital 2022/I). After the implementation of the above described capital increases in 2023, the Authorized Capital 2022/I amounted to EUR 45,720,173.00 at the end of the fiscal year 2023.

Conditional Capital 2018/II

By resolution of the Annual General Meeting of the Company of 5 June 2018, the Company's share capital is conditionally increased by up to EUR 5,000,000.00 by issuing up to 5,000,000 new no-par value bearer shares (ordinary shares) after partial revocation of such conditional share capital increase by resolution of the Annual General Meeting of the Company of 30 June 2020 (Conditional Capital 2018/II).

The Conditional Capital 2018/II serves to grant shares when conversion or option rights are exercised or to fulfill conversion or option obligations to the holders or creditors of convertible bonds, warrant bonds, profit participation rights and/or income bonds (or combinations of such instruments) (collectively, the "Bonds") issued under the authorization resolution adopted by the Annual General Meeting of 5 June 2018.

No use was made of this authorization in 2023. This conditional capital is listed in the commercial register as Conditional Capital 2018/II (Bedingtes Kapital 2018/II).

Conditional Capital 2022/I

By resolution of the Annual General Meeting of the Company of 12 May 2022, the Company's share capital is conditionally increased by up to EUR 17,394,227.00 by issuing up to 17,394,227 new no-par value bearer shares (Conditional Capital 2022/I).

The Conditional Capital 2022/I serves to grant shares upon the exercise of conversion or option rights or upon the fulfillment of conversion or option obligations to the holders or creditors of Bonds issued on the basis of the authorization of the Annual General Meeting of 12 May 2022.

No use was made of this authorization in 2023. This conditional capital is listed in the commercial register as Conditional Capital 2022/I (Bedingtes Kapital 2022/I).

Significant agreements of the Company contingent upon a change of control as a result of a takeover bid and the resulting consequences (Sec. 289a Sentence 1 No. 8 HGB and 315a Sentence 1 No. 8 HGB)

The Company's significant agreements contingent upon a change of control relate on the one hand to agreements for the Company's credit facilities. In the event of a change of control, these agreements grant the lender the right to terminate the facility and demand early repayment. Additionally, the terms and conditions of the convertible bonds issued by the Company on 13 May 2020 provide for a special conversion right with an adjusted conversion price in case of a change of control or a take-over bid (subject to an acceptance event). In addition, there are a number of rental and lease agreements entered into by subsidiaries of HelloFresh SE which, in the event of a change of control, assume a change of tenant and therefore require the approval of the landlord or lessor.

In the event of a change of control, certain options granted under the VSOP 2016 vest faster and some of any unvested virtual options may be exercised. The number of such exercisable virtual options depends, among other things, on the acquisition of shares in connection with the change of control.

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Compensation arrangements with members of the Management Board in the event of a takeover bid (Sec. 289a Sentence 1 No. 9 HGB and 315a Sentence 1 No. 9 HGB)

In the event of a change of control, the service contracts of Management Board members contain a one-time special termination right (with a notice period of three months to the end of the month) and right to resign from office as member of the Management Board on such termination date. Should a member of the Management Board exercise this special termination right, they are entitled to a gross severance payment from the Company.

As described above, the VSOP 2016 provide accelerated vesting in the event of a change of control and an option to exercise some of any unvested virtual options.

Berlin, 14 March 2024

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Executive Officer International

Christian Gaertner
Chief Financial Officer

Edward Boyes
Chief Commercial Officer

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C Consolidated Financial Statements

Consolidated Statements of Financial Position

as of 31 December 2023

in MEUR	Note	31 December 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	8, 9	1,298.9	1,165.8
Intangible assets	10	114.5	100.2
Goodwill	7	276.0	284.7
Other financial assets	13	21.9	20.4
Other non-financial assets	15	0.8	0.4
Deferred income tax assets	23	44.3	51.5
Total non-current assets		**1,756.4**	**1,623.0**
Current assets			
Inventories	11	222.4	266.7
Trade receivables	13, 14	17.8	21.0
Other financial assets	13	19.1	12.3
Other non-financial assets	15	132.5	108.2
Cash and cash equivalents	12, 14	433.1	504.0
Total current assets		**824.9**	**912.2**
Total assets		**2,581.3**	**2,535.2**

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Consolidated Statements of Financial Position (continued)

as of 31 December 2023

in MEUR	Note	31 December 2023	31 December 2022
Equity and liabilities			
Equity			
Share capital	17	173.2	171.9
Treasury shares	17	(31.5)	(1.3)
Capital reserves	17	355.6	356.1
Other reserves	17	220.8	138.4
Retained earnings		313.0	294.4
Other comprehensive (loss) / income	17	(9.5)	2.2
Equity attributable to the Company's shareholders		**1,021.6**	**961.7**
Non-controlling interests	28	(2.6)	(2.1)
Total equity		**1,019.0**	**959.6**
Non-current liabilities			
Other financial liabilities	13, 9	441.1	416.8
Deferred income tax liabilities	23	12.9	4.2
Long-term debt	13, 14, 25	163.8	160.8
Provisions	18	31.5	23.2
Other non-financial liabilities	16	—	0.1
Total non-current liabilities		**649.3**	**605.1**
Current liabilities			
Trade payables (incl. Capex payables)	13	560.2	557.6
Other financial liabilities	13, 9	115.5	130.9
Provisions	18	21.8	30.3
Deferred revenue	6	93.6	103.2
Income tax liabilities		3.9	49.3
Other non-financial liabilities	16	118.0	99.2
Total current liabilities		**913.0**	**970.5**
Total equity and liabilities		**2,581.3**	**2,535.2**

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Consolidated Statements of Comprehensive Income

for the year ended as of 31 December 2023

in MEUR	Note	2023	2022
Revenue	6	7,596.6	7,607.2
Procurement expenses		(2,675.6)	(2,620.3)
Fulfilment expenses		(2,910.7)	(3,070.8)
Marketing expenses		(1,440.5)	(1,284.3)
General and administrative expenses		(411.0)	(366.5)
Other operating income		17.9	13.8
Other operating expenses		(42.4)	(38.6)
Impairment losses on trade receivables	14	(21.8)	(23.1)
Operating profit		**112.5**	**217.4**
Interest income	22	7.6	3.0
Interest expense	22	(35.3)	(27.6)
Other finance income	22	6.0	20.5
Other finance expense	22	(17.5)	(13.2)
Profit before income tax expense		**73.3**	**200.0**
Income tax expense	23	(55.2)	(74.9)
Profit for the year		**18.1**	**125.1**
attributable to:			
Owners of the Company		19.4	127.0
Non-controlling interests	28	(1.3)	(1.9)
Other comprehensive income (loss):			
Items that will be subsequently reclassified to profit or loss when specific conditions are met			
Exchange differences on translation to presentation currency, net of tax		(12.7)	6.9
Fair value remeasurement of financial instruments, net of tax		1.0	(3.1)
Other comprehensive (loss) / income for the year		**(11.7)**	**3.8**
Total comprehensive income for the year		**6.4**	**128.9**
Total comprehensive income attributable to:			
Owners of the Company		7.7	130.8
Non-controlling interests		(1.3)	(1.9)
Basic earnings per share (in EUR)	24	**0.11**	**0.73**
Diluted earnings per share (in EUR)	24	**0.10**	**0.63**

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Consolidated Statements of Changes in Equity

for the year ended as of 31 December 2023

	Attributable to the owners of the Company								
in MEUR	Share capital	Treasury shares	Capital reserves	Other reserves	Retained earnings	Other comprehensive income (loss)	Total	Attributable to non-controlling interests	Total
As at 1 January 2022	**173.9**	**(1.3)**	**479.4**	**82.1**	**167.4**	**(1.6)**	**899.9**	**(0.2)**	**899.7**
Profit (loss) for the year	—	—	—	—	127.0	—	127.0	(1.9)	125.1
Currency translation	—	—	—	—	—	6.9	6.9	—	6.9
Fair value remeasurement of financial instruments	—	—	—	—	—	(3.1)	(3.1)	—	(3.1)
Total comprehensive income (loss)							**130.8**	**(1.9)**	**128.9**
Issue of share capital	0.2	—	(0.4)	—	—	—	(0.2)	—	(0.2)
Share buy back [1]	—	(125.0)	(0.1)	—	—	—	(125.1)	—	(125.1)
Capital reduction	(2.2)	125.0	(122.8)	—	—	—	—	—	—
Cash payout of share based compensation	—	—	—	(15.9)	—	—	(15.9)	—	(15.9)
Share-based compensation expenses (equity-settled)	—	—	—	72.2	—	—	72.2	—	72.2
Balance as at 31 December 2022	**171.9**	**(1.3)**	**356.1**	**138.4**	**294.4**	**2.2**	**961.7**	**(2.1)**	**959.6**
Total equity as at 1 January 2023	**171.9**	**(1.3)**	**356.1**	**138.4**	**294.4**	**2.2**	**961.7**	**(2.1)**	**959.6**
Profit (loss) for the year	—	—	—	—	19.4	—	19.4	(1.3)	18.1
Currency translation	—	—	—	—		(12.7)	(12.7)	—	(12.7)
Fair value remeasurement of financial instruments	—	—	—	—	—	1.0	1.0	—	1.0
Total comprehensive income (loss)							**7.7**	**(1.3)**	**6.4**
Issue of share capital	1.3	—	(0.5)	—	—	—	0.8	—	0.8
Share buy back	—	(30.2)	—	—	—	—	(30.2)	—	(30.2)
Cash payout of share based compensation	—	—	—	(1.4)	—	—	(1.4)	—	(1.4)
Share-based compensation expenses (equity-settled)	—	—	—	83.8	—	—	83.8	—	83.8
Purchase of non-controlling interest	—	—	—	—	(0.8)	—	(0.8)	0.8	—
Balance as at 31 December 2023	**173.2**	**(31.5)**	**355.6**	**220.8**	**313.0**	**(9.5)**	**1,021.6**	**(2.6)**	**1,019.0**

1 In prior year this movement was named as transfer of treasury shares

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Consolidated Statements of Cash Flows

for the year ended as of 31 December 2023

in MEUR	2023	2022
Cash flow from operating activities		
Profit for the year	18.1	125.1
Adjustments for:		
Interest expense	35.3	27.6
Interest income	(7.6)	(3.0)
Other finance income	(6.0)	(20.5)
Other finance expense	17.5	13.2
Income tax	55.2	74.9
Income tax paid	(106.7)	(120.9)
Depreciation, amortization and impairment	231.3	165.8
Loss on disposal of fixed assets	1.4	(0.8)
Share-based compensation expenses	82.0	55.5
Other non-cash transactions	(10.3)	(41.2)
(Decrease) / Increase in provisions	1.2	15.2
Changes in working capital related to operating activities		
(Increase) / decrease in trade receivables	2.8	0.5
(Increase) / decrease in inventories	38.2	(35.9)
Increase / (decrease) in trade and other payables	47.0	102.0
Increase / (decrease) in deferred revenue	(7.5)	(5.9)
Net change in other components of operating working capital[1]	9.5	(7.2)
(Increase) / decrease in other financial assets	(9.4)	7.3
(Increase) / decrease in other non-financial assets	(1.8)	(6.7)
Increase / (decrease) in other financial liabilities	(0.3)	(1.0)
Increase / (decrease) in other non-financial liabilities	15.5	(14.9)
Interest received	7.4	3.0
Interest received (IFRS 16)	0.2	0.3
Interest paid	(2.5)	(4.4)
Interest paid (IFRS 16)	(26.9)	(14.2)
Net cash from operating activities	**383.8**	**313.4**
Cash flow from investing activities		
Payment of contingent purchase price liability	(34.5)	(25.6)
Purchase of property, plant and equipment	(250.4)	(372.0)
Software development expenditure	(42.8)	(34.4)
Purchase of intangible assets	(12.6)	(11.1)
Lease payments received from finance leases (IFRS 16)	1.6	1.4
(Transfer) of cash into / from restricted cash accounts and deposits	(5.7)	(5.5)
(Transfer) Withdrawal of cash into/from restricted cash accounts and deposits	4.9	3.3
Net cash used in investing activities	**(339.6)**	**(443.8)**

[1] In 2022 Operating working capital includes (MEUR 18.7) previously included in Other non-financial assets and MEUR 16.1 previously included in other non-financial liabilities.

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in MEUR	2023	2022
Cash flow from financing activities		
Repayment of principal under IFRS 16	(75.6)	(60.9)
Repurchase of shares in subsidiaries	(1.6)	(2.4)
Proceed from the issue of share capital	0.8	—
Repurchase under share buyback program	(30.2)	(125.1)
Repurchase under convertible bond buyback program	(2.8)	—
Repurchase of equity instruments due to share-based compensation	(1.4)	(15.9)
Net cash used in financing activities	**(110.8)**	**(204.3)**
Effects of exchange rate changes and other changes on cash and cash equivalents	(4.2)	11.5
Cash and cash equivalents at beginning of the year	**504.0**	**827.1**
Cash and cash equivalents at the end of the year	**433.1**	**504.0**

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1. Corporate Information

The accompanying 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 182382B.

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 consolidated financial statements are prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) and the additional requirements of the German Commercial Code pursuant to Sec. 315e (1) HGB. The interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were applicable for the reporting period have also been implemented.

The fiscal year corresponds to the calendar year. To improve the clarity of presentation, various items of similar nature in the statement of comprehensive income and in the statement of financial position have been aggregated. These items are shown and explained separately in the notes.

The consolidated financial statements have been prepared on a historical cost basis, except as noted in the Summary of Material Accounting Policies (see NOTES). The material accounting policies used in the preparation of these consolidated financial statements are set out below and were consistently applied to all the periods presented.

The consolidated financial statements have been prepared on a going concern basis, which contemplates realisation of assets and discharge of liabilities in the normal course of business.

The consolidated financial statements were authorized by the Management Board on 14 March 2024.

3. Summary of Material Accounting Policies

IFRSs issued, EU endorsed and initially adopted in the reporting period

The Group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2023:

Standard/ Interpretation	Title of the standard / interpretation or amendment	First time application	Impact
IFRS 17	Insurance Contracts	1.1.2023	N/A
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1.1.2023	See below
Amendments to IAS 8	Definition of Accounting Estimates	1.1.2023	Not material
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1.1.2023	Not material
Amendments to IAS 12	International Tax Reform - Pillar Two Model Rules	23.5.2023	Not material

Amendments to IAS 1 and IFRS Practice Statement 2

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

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Management has reviewed the accounting policies and concluded that amendments resulted in neither changes in accounting policies themselves nor impacted the accounting policy information disclosed in these consolidated financial statements.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities from a Single Transaction

The Group has also adopted Deferred Tax related to Assets and Liabilities from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. There is no impact on the statement of financial position because the Group has not made use of the initial recognition exemption for such transactions.

Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules

The Group has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure (see NOTE 22).

The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognized at that date, the retrospective application has no impact on the Group's financial statements.

Other amendments

All other new, or amended, IFRIC and Interpretations with mandatory initial application in the EU as of 1 January 2023 had no significant impact on the consolidated financial statements.

Presentation of Statement of Comprehensive Income

The Group structures its Statement of Comprehensive Income by functions. For that purpose, it breaks its Cost of Sales down into the line items Procurement Expenses and Fulfilment Expenses.

Presentation currency

The consolidated financial statements are presented 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.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Subsidiaries are all companies over which HelloFresh SE has direct or indirect control as defined in IFRS 10. The Group controls a company when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are fully consolidated in the Group's financial statements from the date on which the control starts and up to the date on which the control ends.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any ownership retained in the former subsidiary is measured at fair value when control is lost. Following the bankruptcy court decision,

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as at 31 December 2023 the Group has lost control over HelloFresh Japan GK. This transaction did not have material effect on the consolidated financial statements.

Composition of the Group

The financial statements of the subsidiaries are prepared for the same reporting period as for the Parent. As at 31 December 2023 the Company consolidates 42 subsidiaries (2022: 38). The detailed composition of the Group is included in NOTE 28.

Business combinations and goodwill

The acquisition method is used to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Independent external appraisals are typically used for the purchase price allocation of material business combinations. Valuations in the course of business combinations are based on existing information as of the acquisition date.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, at either: (a) fair value, or (b) the non-controlling interest's proportionate share of the net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued, and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements. The fair value of the contingent purchase price liability is remeasured at each reporting date through a scenario-based net-present-value analysis. Costs related to the acquisition such as advisory, legal, valuation and similar professional services are expensed as incurred. Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt.

Goodwill is initially measured at cost by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of any interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill, bargain purchase") is immediately recognized in profit or loss, after management re-assesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews appropriateness of their measurement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to group of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU)/group of CGUs and part of the operation within that unit(s) is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit(s) retained.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. The fair value of FX forward derivatives is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies;
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, considering all information about market participant assumptions that is reasonably available.

Foreign currency translation

The financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the each entity operates ("the functional currency").

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated using the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or from remeasurement of monetary items in foreign currencies are generally recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. Foreign exchange gains and losses recognized in profit or loss are presented within other operating income or expenses if they relate to operating activities or the other finance income or expense if they relate to financing activities.

The financial statements of all the Group entities that have a functional currency different from the presentation currency (foreign operations) are translated into the presentation currency as follows:

1. assets and liabilities are translated at the closing rate at the end of each reporting period;
2. income and expense items are translated into Euros at the average monthly exchange rates; and
3. all resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed in its entirety or partially such that the control is lost, the cumulative amount recognized as currency translation related to that foreign operation is reclassified to profit or loss as part of gain or loss on disposal.

To finance its operating subsidiaries, HelloFresh SE often provides intercompany loans. When the settlement of a intercompany loans is neither planned nor likely in the foreseeable future (e.g. due to anticipated debt-to-equity conversion), foreign exchange gains and losses arising from such a loan are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income and presented as currency translation in equity.

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Most relevant currency translation rates for the years stated are:

	Closing Rate		Average Rate	
ISO Code	2023	2022	2023	2022
AUD	0.61	0.64	0.61	0.66
CAD	0.68	0.69	0.69	0.73
CHF	1.08	1.02	1.03	1.00
DKK	0.13	0.13	0.13	0.13
CZK	0.04	0.04	0.04	0.04
GBP	1.15	1.13	1.15	1.17
JPY	0.01	0.01	0.01	0.01
NOK	0.09	0.10	0.09	0.10
NZD	0.57	0.60	0.57	0.60
PHP	0.02	0.02	0.02	0.02
SEK	0.09	0.09	0.09	0.09
USD	0.90	0.94	0.92	0.95

Current versus non-current presentation

The Group presents assets and liabilities in the statement of financial position based on a current or non-current classification.

An asset is classified as current when it is:

- expected to be realized or intended to be sold or consumed within the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the end of the reporting period; or
- cash or a cash equivalent; unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the end of the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other assets and liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where required. The present value of the expected cost for the restoration of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Costs of minor repairs and maintenance are expensed when incurred.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount of item(s) disposed and are recognized in profit or loss within other operating income or expenses.

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Depreciation

The expected useful lives of property, plant and equipment, together with their depreciation schedules are based on past experience, plans and estimates. Depreciation is calculated using the straight-line method to allocate their cost less their residual values over the following estimated useful lives (materially unchanged from prior year):

	Useful lives in years
Buildings	30
Furniture, fixtures and other equipment	2-10
Plant and machinery	3-15

Office and fulfilment center leasehold improvements, included within Plant and Machinery, are depreciated over the shorter of their estimated useful lives or the lease term. Land is held at cost and not depreciated.

The assets' residual values, methods of depreciation and useful lives are reviewed and adjusted prospectively, if required, at the end of each reporting period.

An impairment test is carried out when relevant events or changes in circumstances indicate that it might no longer be possible to recover the carrying amount of property, plant and equipment.

Leases (IFRS 16)

Under IFRS 16 leases of lessees are capitalized by recognizing the present value of the lease payments over the lease term and showing them as lease assets (right-of-use assets) and lease liabilities at the lease commencement date. The lessee has the right to extend or terminate the lease, there are enforceable rights and obligations beyond the initial non-cancellable period and the parties to the lease are required to consider those optional periods in their assessment of the lease term. In accordance with IFRS 16.18 , the lease term will be considered to extend beyond the non-cancellable period if the lessee has an extension option that it considered to be reasonably certain to be exercised, or a termination option that it considered to be reasonably certain not to be exercised. Right-of-use assets are presented as property, plant and equipment (see NOTE 8 and NOTE 9) and the respective lease liabilities are presented as other financial liabilities (see NOTE 9 and NOTE 18).

The Group leases many assets, including properties for fulfilment centers and offices, as well as power grids, vehicles, such as cars, trucks and fork lifters and other equipment. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease. The cost represents the present value of the lease payments, initial direct costs, estimated amounts for residual value guarantees, reduced by received lease incentives. The right-of-use asset also includes estimated future costs to be incurred in dismantling any underlying asset and restoring the asset to the condition required by the lease contract (asset retirement obligation). The obligation is recognized and measured in line with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The right-of-use assets are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate since the interest rate implicit in the lease cannot be readily determined. The lease liability is subsequently increased by the interest on the lease liability and decreased by lease payment made.

The Group has elected not to recognize right-of-use assets and lease liabilities for low value (< 5,000 EUR) and short-term leases (< 12 months). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets

Intangible assets, which are not acquired as part of a business combination, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, where required. Amortization of self-generated assets begins when development is complete, and the asset is available for use. The Group's intangible assets have a definite useful live and primarily include acquired and internally developed computer software and trademarks.

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Software development expenditures on individual projects are recognized as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

The expected useful lives of intangible assets, together with their amortization schedules are based on past experience. The Group amortizes intangible assets using the straight-line method or accelerated method over the following estimated useful lives (unchanged from prior year):

	Useful lives in years
Internally developed software	3-6
Software and other licenses	3-6
Customer Relationships	2
Trademarks	10

The carrying value of the internally developed software and acquired software, trademarks and customer relationships is reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment of non-financial assets including Goodwill

For goodwill, the Group performs an annual impairment test at each reporting date. The Group also conducts an impairment analysis of non-financial assets whenever a triggering event occurs. External triggering events may include, for example, significant adverse changes in customer behavior, economic downturns, significant changes in market or legal environment, etc. Internal triggering events for an impairment test may include damage of assets, significant changes in the assets use or its economic performance, etc.

If a triggering event exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU's) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written off to its recoverable amount.

In assessing fair value less cost of disposal, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. As the Group assumed 100 % equity financing for the purpose of the discount rate calculation, pre-tax discount rate equals to post-tax discount rate. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three to five years. A long-term growth rate is calculated and applied to project future cash flows after the third or fifth year. The underlying management forecast reflects the CGU's current performance and management's best possible estimates on the future development. The Group determines the discount rate before taxes for each CGU/group of CGUs based on its weighted average cost of capital (WACC) including CGU/group of CGUs-specific inflation forecasts and tax rates.

Impairment losses are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if

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there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU/group of CGUs is less than its carrying amount, including goodwill, an impairment loss is recognized. For the CGU/group of CGUs, the goodwill is initially reduced and an additional impairment loss is allocated pro rata to the carrying amounts of the other assets of the CGU/group of CGUs. Impairment losses relating to goodwill are not reversed in future periods.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined pursuant to the first-in first-out ("FIFO") method. The cost of inventory includes the purchase price, shipping and handling costs incurred to bring the inventories to their present location and condition. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

Inventory with a short shelf life that is not utilized within the planned week is directly written off to the profit and loss account. During the year 2023 the Group has enhanced presentation of the disclosure note on inventories showing finished goods and work in progress (WIP) separately (previously presented within other inventories). Comparative information was amended accordingly.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and for which the risk of changes in value is considered to be insignificant. Cash also consists of payments due from third party financial institutions for payment settlement and credit and debit card transactions if they are similar to demand deposits or cash equivalents.

Financial Instruments (IFRS 9)

Financial instruments of the Group include all its financial assets and financial liabilities. Financial assets include trade receivables, cash and cash equivalents and other receivables and financial assets. Financial liabilities include trade payables, liabilities to bank, financial lease liabilities and other financial liabilities.

IFRS 9 sets out requirements for initial measurement, classification, subsequent measurement and derecognition of financial assets (except the initial measurement for trade receivables), financial liabilities and some contracts to buy or sell non-financial items as well as introduces rules for hedge accounting and an impairment model for financial assets.

Initial measurement

Financial instruments, except trade receivables, are measured at fair value on initial recognition. The transaction costs directly attributable to the acquisition must be taken into account for all financial assets and liabilities not subsequently measured at fair value through profit and loss. On initial recognition financial assets are classified into the different categories described in the next section. Regular purchase and sale of financial assets are accounted for at the trading date. At initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price in accordance with IFRS 15.

Classification and subsequent measurement

IFRS 9 contains a classification and subsequent measurement approach for financial assets that reflects the business model in which assets are managed based on their cash flow characteristics. IFRS 9 contains three principle classification categories for financial assets:

- measured at amortized costs,
- fair value through other comprehensive income, and
- fair value through profit or loss.

In case the financial asset is held within a business model with an objective to collect contractual cash-flows and the cash flows of the financial asset represent solely payments of principal and interest, then the subsequent measurement of the financial asset is done based on amortized cost. In case the financial asset is held within a business model with an

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objective to collect contractual cash-flows or to sell the asset and cash-flows from the financial asset represent solely payments of principal and interest, the financial assets is measured at fair value through other comprehensive income. In all other cases the asset is measured at fair value through profit or loss.

The Group analyzed the objectives of business models applicable to financial assets and the contractual cash flow characteristics of the financial assets and concluded that except for two exceptions, the majority of the Group's financial assets meet the criteria for amortized cost measurement under IFRS 9.

The effective interest rate amortization is included within the finance income and expenses.

Financial liabilities are recognized at fair value initially, including the transaction costs directly attributable in case of loan and borrowings. The majority of the Group's financial liabilities are subsequently measured at amortized cost.

Impairment under IFRS 9

IFRS 9 applies the forward-looking 'expected credit loss' (ECL) model. This model requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis.

Within the Group, the impairment model applies to financial assets measured at amortized cost. HelloFresh uses this approach to determine loss allowances, which are measured at 12-month ECL, except for loss allowances for the trade receivables which are measured at an amount equal to lifetime ECL.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Trade receivables are written off when customers are unlikely to pay their credit obligations to the Group in full or partially. We consider this to be the case when trade receivables are 180 days overdue. The write-off is recognized in other operating expenses. The Group uses an allowance matrix to measure the Expected Credit Loss of trade receivables, which is calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Accounts receivable sharing similar credit risk characteristics are allocated into several portfolios based on geographical regions. Historical payment and aging patterns for trade receivables are analyzed individually for each of the portfolios to determine the probability of default which is applied to calculate the expected credit loss for each portfolio and aging bucket.

The Group cooperates with banks, payment service providers and other institutions that are considered to have low credit risk, therefore management believes that any ECL on cash and cash equivalents is not significant for recognition.

Derecognition

A financial asset is derecognized when the contractual rights to receive the cash flows from a financial asset expire or are transferred to third parties or the Group has assumed an obligation to pay the received cash flows to a third party and to transfer the risks and rewards or the control.

The Group derecognizes a financial liability when its contractual obligations related to those liabilities are fulfilled, cancelled or expired.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss unless hedge accounting has been applied.

The Group designates certain derivatives as hedging instruments to hedge foreign exchange risk on its net investment in foreign operations.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the hedge relationship is expected to be "highly effective".

Net Investment Hedge Accounting Treatment

When a derivative instrument is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative is recognised in OCI and presented within equity. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in profit or

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loss. The Group designates the forward element of forward foreign exchange contracts to hedge its currency risk. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The amount recognised in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

Share capital

Ordinary shares with dividend entitlements are classified as equity. Any excess of the fair value of consideration received over the par value of the shares issued is recorded as capital reserves within equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, from the proceeds. Equity instruments of the Company that are re-acquired (treasury shares) are recognized at cost and deducted from equity.

Provisions

Provisions are liabilities of uncertain timing or amount. They are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not recognized for future operating losses. Long term provisions with a term of more than one year are discounted on the reporting date using a current rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized within finance expense.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. The provision is to be reversed if it is no longer probable that settling the obligation will entail the outflow of resources embodying economic benefits.

As a rule, releases of provisions are credited to the expenses account on which the provision was originally recognized.

If necessary, the cost of property, plant and equipment and right-of-use assets may contain the estimated expenses for the restoration of the respective asset. Restoration and similar provisions are recognized for these expenses. If changes in the discount rate or changes in the estimated timing or amount of the payments result in changes in the provisions, the carrying amount of the respective asset is increased or decreased by the corresponding amount. If the decrease in the provision exceeds the carrying amount, the excess is recognized immediately through profit or loss.

Convertible Bond Liability

Financial instruments that contain both a debt and an equity component are classified in separate balance sheet items according to their character. This treatment applies in principle to convertible bonds that are issued by HelloFresh. The fair value of the share conversion right is reported as equity. The terms and conditions for the bond have been analyzed separately and as a conclusion no embedded derivatives in the form of termination rights are reported separately as the amount is not material. The debt component of the convertible bond is calculated on a net present value basis by using a discount rate derived at the time of the issue of the convertible bond from quoted yields for bonds with similar terms and similar credit ratings which are traded in the capital markets, as specified by the issuing banks. The transaction costs of the convertible bond are deducted directly from the debt- and equity component proportionately. The residual value of the share conversion rights was recognized in capital reserves at the date the bond was issued and therefore deducted from the bond liability. The fair value is calculated by taking the difference between total issue size and the liability component and deducting the issuing cost for the conversion right.

Interest payments as well as compounding interest expenses are recognized as finance costs in profit and loss in the relevant periods.

As part of the 2023/2024 bond buy back program, the early repurchase of the bonds , follows the same methodology (using current market data) that was applied as at the time of the issuance, to allocate the consideration paid to the liability and equity component of the bond. The difference between the consideration allocated to the liability component and its carrying value is recognized in profit or loss. The amount of consideration relating to the equity component is recognized in equity.

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Share-based compensation

Equity settled share-based compensation

The Group operates equity-settled share-based compensation plans, under which Group companies receive services from directors, employees or others as consideration for equity instruments of the Company.

The Group grants virtual share options and restricted stock units that are linked to the price of individual shares. It is the Group's policy to settle in equity unless factual and legal restrictions do not allow for such settlement.

For equity-settled transactions, the total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award. At each grant date, the Company analyses whether the exercise price, if any, by a participant is in line with the estimated market price of the underlying equity instruments at the grant date. For virtual options granted, the grant date fair value is determined using the Black-Scholes option valuation formula. As for restricted stock units, the fair value is determined at grant date according to closing price of the stock on the grant date.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest, with a corresponding credit to equity. Estimated forfeitures are revised if the number of awards expected to vest differs from previous estimates.

Non-market performance conditions are not taken into account when determining the fair value of awards at the grant date, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. If the estimate is changed, even a credit in the consolidated statement of comprehensive income for the period can be possible as it reflects the movement in cumulative expenses from the beginning to the end of that period.

Differences between estimated and actual forfeitures are accounted for in the period in which they occur.

Cash-settled share-based compensation

When launching new businesses, HelloFresh typically reserves up to 10 % (before any subsequent dilution) of the shares in these new entities for local senior management. After a period of four years, and subject to certain conditions, holders of those shares are entitled to put them at approximated market value derived from the shares price of HelloFresh SE to HelloFresh. The shareholder-employee can only benefit from future increases in value if he works for a certain period of time and accordingly the benefit depends on his work performance. As a result, the transaction qualifies as share-based compensation.

HelloFresh has a choice to settle any payment from these transactions either in cash or in ordinary shares in the capital of HelloFresh SE of equivalent value. Because of past practice, HelloFresh has a present obligation to settle in cash and accounts for such transactions as cash-settled share-based payment transactions.

For cash-settled share-based payment transactions, the services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, with all changes in fair value recognized in profit or loss for the period.

Government grants

Government grants related to assets are initially recognized as deferred income at fair value if there is a reasonable assurance that the conditions associated with the grant will be met and the grants will be provided. Grants related to the acquisition of assets are recognised in profit or loss as other operating income on a systematic basis over the useful life of the asset. Grants that compensate the Group for the expenses incurred are recognised in profit or loss as other operating income on a systematic basis in the periods in which the expenses are recognised.

Revenue recognition (IFRS 15)

The Group generates revenue primarily from the sale of food ingredients along with corresponding recipes ("meal kits") and ready-to-eat meals as well as add-ons and surcharge products.

The Group follows the five-step model according to IFRS 15, which contains the following steps: identification of the customer contract, identification of the individual performance obligations, determination of the transaction price, allocation of the transaction price to the individual contractual obligations and the determination of the timing of revenue recognition.

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The Group recognises revenue when it has satisfied the performance obligation which is when the customer obtains control over the goods. Generally, this is when the order is delivered to the customer, that is the point in time at which the customer accepts the goods and the ownership transfers. Consideration is usually received from customers before the order is delivered. HelloFresh accounts for these paid but undelivered orders as contract liabilities (deferred revenue).

Revenue is measured at the fair value of the consideration received or receivable, net of promotional discounts, rebates, and value added taxes. Furthermore, the Group may participate in issuing vouchers through external marketing providers at a discounted value. Such vouchers are only included in revenue when a voucher has been redeemed and the corresponding box has been delivered.

The Group has concluded that it is the principal in primarily all of its revenue arrangements since it is the primarily responsible for fulfilling the customer's order, has pricing latitude and is also exposed to inventory risk. Revenue is presented gross of any fees charged by various agents such as marketing portals, which are recognized as marketing expenses.

Gift cards and store credits create obligations for the Group to transfer goods at a future point in time. The transaction price allocated to these performance obligations is recognized as revenue when those obligations are satisfied, expired or when likelihood of the customer exercising its remaining rights becomes remote.

In some markets, new customers can earn rewards and vouchers for purchasing a specified number of boxes within a specified time period (loyalty program). Revenue for those rewards is allocated based on the stand-alone selling price, adjusted for the likelihood that a customer will receive and redeem the reward or voucher. Recognition of revenue is deferred until orders for those rewards are transferred to the customer or when the customer's right to receive them expires.

With respect to payments received before shipping the product to the customer, contract liabilities are recognized. Customers, however, do not always exercise all of their rights in such arrangements. These unexercised rights are often referred to as 'breakage' or forfeiture. According to IFRS 15 a portion of the contract liabilities is recognized as revenue in accordance with behavioral patterns of the customers and local escheatment regulations.

In case of a customer complaint with regards to a HelloFresh order, HelloFresh Customer Care may compensate the customer with a voucher that can be applied to future orders, aimed at improving customer satisfaction. If the compensation reimburses the customer for non or partial fulfilment of a performance obligation, such discount will reduce the transaction price of the order that caused the complaint, rather than the future order to which the voucher is applied to.

In some cases a customer has a right for a full refund for a price paid. Where a right to return exists, IFRS 15 requires sales revenue to be reduced to reflect the expected value of returns using the rules relating to variable consideration. Instead of recognizing revenue for these expected returns, a refund liability is recognized. The inventory costs of items expected to be returned are also excluded from procurement costs and instead remain within inventory, adjusted for any potential impairment or restocking costs.

Procurement Costs

Procurement costs include the purchase price of goods, inbound shipping charges, employee benefits and other attributable overhead expenses. Shipping charges to receive products from suppliers are included in inventory and recognized as cost of goods sold upon the sale of products to customers.

Fulfilment Costs

Fulfilment costs represent costs attributable to picking ingredients into boxes, packaging (including packaging materials), shipping expenses for customer orders, payment related expenses and product expenses for our culinary teams and recipe cards. Fulfilment costs also include amounts paid to third parties that assist in fulfilment operations.

Marketing Costs

Marketing expenses represent costs associated with the promotion of goods and include online and offline marketing expenses, promotion of the brand through traditional media outlets, the production and distribution of marketing materials, photo production, costs related to customer care activities and other costs associated with HelloFresh's market presence.

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General and administrative expenses

General and administrative expenses are costs not directly associated with the production and distribution of goods. They include wages for our tech organization, expenses of tech infrastructure, management wages and benefits, finance, HR, legal staff wages and benefits, consulting expenses, office rent, insurance, utilities, and other overhead costs.

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the jurisdictions where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes relating to items recognized outside profit or loss are recognized outside profit or loss. Current and deferred tax items are recognized in correlation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

IFRIC 23 Uncertainty of Income Tax Treatments

Under IFRIC 23 the Group considers whether it is probable that the relevant tax authority will accept a tax treatment, or a group of tax treatments, that the Group used or plans to use in its income tax filing. Where the Group concludes that it is probable that a particular tax treatment is accepted, the Group determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. Where the Group concludes that it is not probable that a particular tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision is based on which method provides better predictions of the resolution of the uncertainty. The Group reassessed a judgement or estimate if the facts and circumstances on which the judgement or estimate was based change or as a result of new information that affects the judgement or estimate.

The Group analyzes the existence of uncertainties in income taxes in all relevant tax jurisdictions by considering a number of indicators such as ambiguities in relevant tax laws and related guidelines, results of past examinations by tax authorities and rulings from courts in addressing matters with similar fact pattern.

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Consolidated Cash Flow Statement

The Group prepares the consolidated cash flow statement to track how the Group's cash and cash equivalents changed during the period and classifies cash flows during a period into cash flows from operating, investing and financing activities. The Group uses the indirect method to report cash flow from operating activities which covers all the principal revenue producing activities of the Group. Investing activities are the acquisition and disposal of long-term assets and other investments. It also includes cash flows arising from obtaining or losing control of subsidiaries or other business. Financing activities include the activities that result in changes in the size and composition of the equity and borrowings of the Group.

New and amended IFRSs and IFRICs issued but not yet adopted

The following new standards and amendments to standards are effective in the EU for annual periods beginning on or after January 1, 2024. The Group has not adopted any of the new or amended standards early in preparing these consolidated financial statements.

Standard/ Interpretation	Title of the standard / interpretation or amendment	First time application	Impact
Amendments to IAS 1	Classification of Liabilities as Current or non-current	1.1.2024	Not material
Amendments to IAS 1	Non-current Liabilities with Covenants	1.1.2024	Not material
Amendments to IFRS 16	Lease liability in a sale and leaseback	1.1.2024	N/A
Amendments to IAS 7 and IFRS 7	Supplier finance agreements	1.1.2024	N/A
Amendments to IAS 21	Lack of exchangeability	1.1.2025	N/A
Amendments to IFRS 10 and IAS 28 *	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Pending	N/A

* EU-Endorsement still pending at the time of publication

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Disclosures relating to the Group's exposure to risks and uncertainties include:

- Financial Risk Management [NOTE 5]
- Contingencies and Commitments [NOTE 27]

Impairment of non-financial assets

Management of the Group makes significant judgements and assumptions regarding the future developments of the Group for the impairment assessment of the goodwill and other intangible assets which mainly includes assumptions regarding the future cash flow projections and various economic risks. Management also makes judgements about the changes in the business strategy and planning of the Group, forecasts regarding the expected internal developments and for the various inputs used to estimate the weighted average cost of capital (WACC) of the Group. The Group's internal forecasts reflect the most recent assumptions from the current macroeconomic environment regarding increased ingredient price inflation and increased labor cost. The WACC has been adjusted to reflect higher market interest rates. Goodwill impairment assessment is also dependent on the allocation of goodwill to a CGUs / a group of CGUs which involves estimation as to which CGUs / a group of CGUs are expected to benefit from the synergies of the business combination.

Further disclosures on Goodwill can be found in [NOTE 7].

Deferred tax assets

The Group has tax losses in several legal entities in different tax jurisdictions that have the potential to reduce tax payments in future years. Deferred tax assets have been recognized to the extent that their recovery is probable

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considering the projected future taxable income of the related entity. The Group's management uses its internal business planning tools and expertise to evaluate the probability of projected future taxable income of the related entity. Deferred tax assets are recognized for all deductible temporary differences, carryforwards of unused tax credits and unused losses to the extent it is probable that the taxable profit will be available against the deductible temporary difference and the carryforward of unused tax credits and unused tax losses can be utilized. Please refer to the accounting policies on income taxes in NOTE 2 and the income tax disclosures in NOTE 25.

Share-based payments

The fair value of the grants for share based payments is determined based on an appropriate valuation model which takes into consideration the quoted stock price as of the grant date and the volatility of the stock. Expenses for share-based payments are recognized based on the fair value estimate and the company's best estimate of the number of equity instruments that will ultimately vest and the estimated exercise date. The estimate of the number of equity instruments that will ultimately vest is based on expected employee fluctuation. In 2023 the assumed share price volatility to calculate the fair value of options under the Group's shared-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 the Group's share price as the extant call options typically show only limited trading liquidity. There is no impact on IFRS 2 expenses as the number of VSOP's granted have been adjusted. If the implied volatility of the outstanding call options had been used, c 0.2m less VSOPs would have been issued in 2023. Please also refer to the accounting policies on share-based compensation in NOTE 2 and the share-based compensation disclosures in NOTE 19.

Measurement of Right-of Use Assets and Lease Liabilities (IFRS 16)

In order to measure the right-of-use asset and corresponding lease liability at lease commencement or at modification of a lease, HelloFresh applies the incremental borrowing rate to discount the lease payments. Judgement is involved in determining the relevant interest rate at which HelloFresh would borrow in a similar economic environment. Also when it is reasonably certain that a lease extension option will be exercised, the relevant payments are also included in initial measurement of right-of-use assets and lease liabilities. For the purposes of assessing options, the Group takes in account all facts and circumstances that create an economic incentive to exercise or to not exercise the option. Further information on accounting for Leases in accordance with IFRS 16 can be found in NOTE 3 and in NOTE 9.

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 operating segments which resulted in a change in reportable segments. As a result, the Canadian business is combined together with the former United States of America ("USA" or "US") segment into a new "North America" segment; the comparative 2022 year has been adjusted in accordance with IFRS 8.29 in this report. Therefore, 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.

These operating segments reflect the Group's management structure, and the way financial information is regularly reviewed by the Chief Operating Decision Maker, which is defined to be the Management Board. The Management Board is also responsible for allocating resources, and assessing performance of the operating segments.

Reported segment results include items directly attributable to each segment as well as those that can be allocated on a reasonable basis. Centralized overhead functions are separately monitored.

The reportable operating segments are strategic business units that are managed separately. Inter-segment charges are monitored separately and are, therefore, distinctively presented in the tables below. The holding entity represents centralized overhead functions, where certain costs are recharged with a mark-up to the operating entities. However, there is an exception of strategic and certain finance function costs, which are compensated via profit sharing, once a respective subsidiary within the segment has turned profitable. Both, the recharged mark-up, and the profit sharing are presented as holding fee ("Holding Fee") in our financial statements. Inter-segment transactions are eliminated upon consolidation and the Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, *i.e. arms-length transactions.*

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The Group evaluates the performance of its segments primarily based on revenue and EBITDA adjusted ("AEBITDA", as per Glossary section) for share-based compensation expenses, holding fees, and other non-operating one-time effects ("special items"). In addition, the following financial performance indicators are evaluated: profit contribution or "Contribution Margin" (i.e. revenue less procurement and fulfilment expenses, excluding share-based compensation expenses), as well as EBIT adjusted ("AEBIT", as per Glossary section) for share-based compensation expenses, holding fees, and other non-operating one-time effects ("special items"). EBITDA represents the results before interest, tax, depreciation, amortization and impairment. EBIT is measured as earnings before interest and tax.

External revenue includes income from the core activities of the Group, i.e. primarily the provision of food solutions to customers. Internal revenue results from intercompany recharges of services mainly of the holding company, as well as, the customer care service center to the operating entities of the Group. Revenues are attributed to individual countries based on the place of the customer's location.

For the year ended as of 31 December 2023, HelloFresh Group accounted external revenue for MEUR 7,596.6 (2022: MEUR 7,607.2). Out of this amount, Germany, where the Company is domiciled, amounted to MEUR 497.5 (2022: MEUR 465.4). Within the North America segment, the USA revenues amounted to MEUR 4,576.3 (2022: MEUR 4,520.0). The North America segment generates the majority of its revenue from meal-kits and from a comparatively smaller, but rapidly growing, ready-to-eat business. The International segment generates revenue predominantly from meal-kits whereas its ready-to-eat business is still of a relatively small size.

As of 31 December 2023, 54.9 % of the Group's fixed assets, which include Property, plant and equipment and Intangible assets are located in the USA, and 13.8 % in Germany.

The segment information for the year ended 31 December 2023 and its comparative is set out below:

	2023					
in MEUR	North America	International	Total segments	Holding	Consolidation	Group
Total revenue	5,039.4	2,621.9	7,661.3	581.7	(646.4)	7,596.6
Internal revenue	36.6	28.1	64.7	581.7	(646.4)	—
External revenue	5,002.8	2,593.8	7,596.6	—	—	7,596.6
Contribution margin (excl. SBC)	**1,460.2**	**638.0**	**2,098.2**	**541.9**	**(599.5)**	**2,040.6**
Adjusted EBITDA	**417.4**	**175.3**	**592.7**	**(145.0)**	**(0.1)**	**447.6**
Special items	(16.0)	(3.4)	(19.4)	(2.3)	—	(21.7)
Share-based compensation expenses	(47.2)	(9.6)	(56.7)	(25.3)	—	(82.0)
EBITDA [1] (excl. holding fee)	**354.2**	**162.3**	**516.5**	**(172.6)**	**(0.1)**	**343.8**
Depreciation, amortization and impairment	(104.6)	(84.6)	(189.1)	(42.2)	—	(231.3)
EBIT (excl. holding fee)	**249.6**	**77.8**	**327.4**	**(214.8)**	**(0.1)**	**112.5**
Holding fee	(149.9)	(56.4)	(206.3)	206.2	0.1	—
EBIT	**99.6**	**21.4**	**121.0**	**(8.5)**	**—**	**112.5**
Interest income	3.1	2.6	5.8	24.2	(22.4)	7.6
Interest expense	(22.7)	(19.3)	(42.0)	(15.7)	22.4	(35.3)
Other finance income (excl. intercompany dividends)	(1.2)	3.8	2.6	3.4	—	6.0
Other finance expense	(8.8)	12.3	3.5	(21.0)	—	(17.5)
Profit before income tax expense	**70.1**	**20.8**	**90.9**	**(17.6)**	**—**	**73.3**

[1] During the year 2023 the Group has amended its determination of EBITDA to exclude impairment of property, plant and equipment and intangible assets, which management considers to be akin to depreciation and amortization expenses. The comparative information was not adjusted for this change as there were no material impairment losses on non-current non-financial assets recognized in 2022.

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in MEUR	2022 North America [1]	International [1]	Total segments	Holding	Consolidation	Group
Total revenue	4,988.2	2,662.0	7,650.2	546.6	(589.6)	7,607.2
Internal revenue	25.1	18.1	43.2	546.4	(589.6)	—
External revenue	4,963.1	2,643.9	7,607.0	0.2	—	7,607.2
Contribution margin (excl. SBC)	**1,364.1**	**617.9**	**1,982.0**	**527.6**	**(567.1)**	**1,942.5**
Adjusted EBITDA	**437.2**	**172.4**	**609.6**	**(132.1)**	**—**	**477.4**
Special items	(28.6)	(8.3)	(36.9)	(1.8)	—	(38.7)
Share-based compensation expenses	(37.7)	6.9	(30.8)	(24.7)	—	(55.5)
EBITDA (excl. holding fee)	**370.9**	**171.0**	**541.9**	**(158.6)**	**—**	**383.2**
Depreciation, amortization and impairment	(77.8)	(64.3)	(142.1)	(23.7)	—	(165.8)
EBIT (excl. holding fee)	**293.1**	**106.7**	**399.8**	**(182.5)**	**0.2**	**217.4**
Holding fee	(167.0)	(78.8)	(245.7)	245.9	(0.2)	—
EBIT	**126.1**	**27.9**	**154.0**	**63.4**	**—**	**217.4**
Interest income	1.9	0.5	2.3	0.7	—	3.0
Interest expense	(11.9)	(5.1)	(17.0)	(10.6)	—	(27.6)
Other finance income (excl. intercompany dividends)	12.7	1.1	13.8	14.2	(7.7)	20.4
Other finance expense	(7.5)	(10.7)	(18.1)	(2.8)	7.7	(13.2)
Profit before income tax expense	**121.3**	**13.7**	**135.0**	**65.0**	**—**	**200.0**

[1] Numbers reflect the new segment composition, with Canada as part of the North America segment.

During 2023 special items amounted to MEUR 21.7 (2022: MEUR 38.7) net. The special items in 2023 primarily related to reorganization initiatives for MEUR 9.7 (2022: MEUR 21.4, including MEUR 5.6 of impairment loss due to reorganization initiatives), mainly in the US and UK (2022: mainly in US and Japan); the acquisition related management incentive programs that are in place for Factor and Youfoodz for MEUR 6.3 (2022: MEUR 13.8) and one-off costs related to labor law changes in the US for MEUR 4.4 (2022: MEUR 0.0).

Share-based compensation expenses amounted to MEUR 82.0 (2022: MEUR 55.5), and the increase is 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.

6. Revenue

Revenue streams

The Group generates revenue primarily from the provision of food solutions directly to 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; and (iii) ready-to-eat meals. 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 year is as follows:

in MEUR	2023	2022
Revenue from direct-to-consumer sales	7,521.5	7,518.8
Other revenue	75.1	88.4
Total revenue	**7,596.6**	**7,607.2**

The Group also distributes its products via gift cards that create obligations for the Group to transfer goods at a future point in time. The transaction price allocated to these performance obligations is recognized as revenue when those obligations are satisfied, expired or when likelihood of the customer exercising its remaining rights becomes remote (i.e. revenue from breakage). Revenue from breakage amounted to MEUR 11 in 2023 (2022: MEUR 10).

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Disaggregation of revenue from contracts with customers

	North America		International		Total	
in MEUR	2023	2022	2023	2022	2023	2022
Revenue from direct-to-consumer sales	4,975.7	4,934.5	2,545.8	2,584.3	7,521.5	7,518.8
Other revenue*	27.1	28.6	48.0	59.6	75.1	88.4
Total revenue	**5,002.8**	**4,963.1**	**2,593.8**	**2,643.9**	**7,596.6**	**7,607.2**

*As of 31 December 2023, there is no external revenue related to the Parent (2022: MEUR 0.2 included to other revenue).

Revenue from sales of ready-to-eat food solutions for 2023 amounts to MEUR 1,438.8, which increased significantly in 2023 as compared to 2022. The rest of revenues relates to sales of meal kits which slightly decreased in 2023 as compared to 2022.

During the period, the Group was in the process of installing complex machinery at its fulfilment centers, which required a significant amount of testing. Revenues from direct-to-consumer sales include sales during testing of property, plant and equipment amounting to MEUR 142.0 (2022: MEUR 40.0). The corresponding cost of sales included within procurement and fulfilment cost for the year 2023 amount to MEUR 88.0 (2022: MEUR 24.7).

Contract Balances

in MEUR	31 December 2023	31 December 2022
Trade receivables	17.8	21.0
Contract liabilities	101.9	109.7

The contract liabilities primarily relate to advance payments received from customers amounting to MEUR 93.6 (31 December 2022: MEUR 103.2) and have decreased in comparison to the previous year due to decrease in overall contract activity. The payment terms differ from country to country, but a significant amount of orders are paid upfront. Hence, the pending orders are recognized as contract liabilities, for which revenue is recognized when the performance obligation is satisfied. All amounts included in contract liabilities as at 31 December 2022 have been recognized as revenue in 2023. The Group makes use of the exemption according to IFRS 15.122 regarding the disclosure of the expected revenue for outstanding performance obligations as of 31 December 2023, as substantially all revenue will be recognized within one year.

7. Goodwill

The allocation of goodwill for reporting units, as well as its development, (in MEUR) is as follows:

CGU/group of CGU	Jan 1, 2023	Currency translation effects	Dec 31, 2023
Operations of Benelux	4.6	—	4.6
Operations of USA	189.5	(6.3)	183.2
Operations of Canada	40.3	(0.6)	39.7
Operations of Australia	50.3	(1.8)	48.5
Total	**284.7**	**(8.7)**	**276.0**

CGU/group of CGU	Jan 1, 2022	Currency translation effects	Dec 31, 2022
Operations of Benelux	4.6	—	4.6
Operations of USA	178.5	11.0	189.5
Operations of Canada	40.4	(0.1)	40.3
Operations of Australia	50.5	(0.3)	50.3
Total	**274.1**	**10.7**	**284.7**

Each goodwill is assigned to the cash-generating unit (CGU)/group of cash-generating units which are expected to benefit from the acquisition. The goodwill for Green Chef Corp. is allocated to the combined operations of the United States and the goodwill for Cool Delivery B.V. is allocated to the combined operations of the Netherlands, Belgium, and Luxembourg. The goodwill for the Chef's Plate Inc. acquisition is allocated to the combined operations of Canada. The goodwill for the Factor acquisition is allocated to and tested on the on the level of combined operations of USA. The goodwill from the Youfoodz acquisition is allocated to and tested on the combined operations of Australia.

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According to IAS 36 a goodwill must be tested for impairment annually. The annual impairment tests are generally performed as of 31st October.

The key assumptions used in the estimation of the recoverable amount for CGUs / group of CGUs containing goodwill were as follows:

	31 December 2023			31 December 2022		
In percentage	Canada	USA	Australia	Canada	USA	Australia
Discount Rate	10.1%	9.7%	10.5%	7.5%	7.5%	8.1%
Terminal Value Growth rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Budgeted EBITDA growth (compounded annual growth of next three years)	21.0%	29.0%	42.0%	44.0%	41.0%	37.0%

The Group determines the discount rate for the cash-generating units/group of CGUs based on weighted average cost of capital (WACC). This includes the determination of a risk-free rate, country risk premiums and a spread for credit risk for the respective business-specific peer groups and has been updated to reflect higher market interest rates given the current macroeconomic development. Additionally, the calculation considers capital structure and beta factor of the respective peer group as well as the average tax rates of each CGU / group of CGUs. As a result, for the CGUs/group of CGUs for which impairment was tested, a post-tax discount rate mentioned above was determined. The terminal value growth rate incorporates management's expectation about long-term inflation.

The recoverable amounts for the CGUs/group of CGUs were calculated based on a discounted cash-flow method (free cash flow). In assessing the fair value less cost of disposal, the estimated future cash flows are based on detailed budgets and forecast for the CGUs/group of CGUs. These estimates are based on the Group's current business plan at the time of the impairment test. The business plan is built bottom-up per CGU, incorporating latest trends in customer acquisitions, order rates, orders, retention, input prices and other costs, as well as management's outlook and strategic targets. The business plan and forecast calculations cover a period of three years. The cash flows after the three-year period are extrapolated on the assumption of a growth rate, which is derived from the assumed average market or industry growth rate of the CGUs/group of CGUs. Based on this extrapolation a terminal value is determined. The recoverable amount for the purposes of goodwill impairment test was categorised as Level 3 fair value based on the inputs in the valuation technique used.

The annual impairment test did not identify any indication for goodwill impairment as of 31 December 2023. This result would not change when considering any reasonably possible change in the key assumptions.

8. Property, Plant and Equipment

Plant and machinery also includes leasehold improvements for office premises and fulfilment centers, such as cooling equipments, and motor vehicles. Right-of-use-assets reflect leases recorded under IFRS 16 which mainly relate to land and buildings such as fulfilment centers and offices, and vehicles and other movables assets such as vans and cars (further information is presented in NOTE 9). Furniture, fixtures and other equipment include warehouse and office furniture and fixtures, as well as computer hardware.

During the period ended as of 31 December 2023, the Group acquired assets for a cost of MEUR 222.4 (2022: MEUR 409.7). The additions mainly relate to the equipment and machinery purchased for the fulfillment centers as well as leasehold improvement for office premises. During the year 2023 the Group recognized impairment of MEUR 8.8 (2022: MEUR 6.4), mainly relating to closure of distributions centers in the USA and the UK.

The tables below present the movements in the carrying amount of property, plant and equipment:

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Schedule of movements of property, plant and equipment in 2023

in MEUR	Land and buildings	Plant and machinery	Right-of-use assets (Land and buildings)	Right-of-use assets (Vehicles and other assets)	Furniture, fixtures and other equipment	Assets under construction	Total
Historical cost							
As of Jan 1, 2023	7.6	355.4	560.9	49.2	135.1	342.5	1,450.7
Additions	—	68.1	74.5	66.5	40.2	114.1[1]	363.4
Disposals	—	(3.1)	(16.4)	(5.7)	(2.2)	(0.4)	(27.8)
Reclassifications[2]	—	239.6	—	—	8.4	(247.8)	0.2
Impairment[3]	—	(6.5)	(0.3)	—	(1.5)	(0.5)	(8.8)
Currency translation	(0.3)	(12.9)	(18.4)	(1.6)	(0.4)	(15.4)	(49.0)
As of Dec 31, 2023	**7.3**	**640.6**	**600.3**	**108.4**	**179.6**	**192.5**	**1,728.7**
Depreciation							
As of Jan 1, 2023	0.4	96.3	124.1	13.9	50.2	—	284.9
Additions	0.2	55.5	73.6	21.6	31.6	—	182.5
Disposals	—	(2.4)	(16.4)	(5.7)	(2.2)	—	(26.7)
Currency translation	—	(4.0)	(6.5)	(0.7)	0.3	—	(10.9)
As of Dec 31, 2023	**0.6**	**145.4**	**174.8**	**29.1**	**79.9**	**—**	**429.8**
Carrying amounts							
As of Jan 1, 2023	7.2	259.1	436.8	35.3	84.9	342.5	1,165.8
As of Dec 31, 2023	6.7	495.2	425.5	79.3	99.7	192.5	1,298.9

[1] Additions for assets under construction in 2023 contain non-cash additions of MEUR 33.5.
[2] Contains a reclassification from Assets under construction, previously recognized under Property, Plant and Equipment, to Internally developed software (see Note 10).
[3] The impairment has been recorded with MEUR 4.5. in the North America segment, and with MEUR 4.3 in the International segment.

Schedule of movements of property, plant and equipment in 2022

in MEUR	Land and buildings	Plant and machinery	Right-of-use assets (Land and buildings)	Right-of-use assets (Vehicles and other assets)	Furniture, fixtures and other equipment	Assets under construction	Total
Historical cost							
As of Jan 1, 2022	7.2	248.9	332.5	22.5	81.9	88.9	781.9
Additions	—	71.7	234.2	31.4	38.2	299.8[1]	675.3
Disposals	—	(1.2)	(8.3)	(5.1)	(1.0)	(1.3)	(16.9)
Reclassifications[2]	—	29.0	—	—	16.0	(47.5)	(2.5)
Impairments[3]	—	(2.9)	(3.1)	—	(0.4)	—	(6.4)
Currency translation	0.4	9.9	5.6	0.4	0.4	2.6	19.3
As of Dec 31, 2022	**7.6**	**355.4**	**560.9**	**49.2**	**135.1**	**342.5**	**1,450.7**
Depreciation							
As of Jan 1, 2022	0.2	57.9	69.0	8.9	27.1	—	163.1
Additions	0.2	38.9	62.9	10.1	24.2	—	136.3
Disposals	—	(1.0)	(8.3)	(5.1)	(0.9)	—	(15.3)
Currency translation	—	0.5	0.5	—	(0.2)	—	0.8
As of Dec 31, 2022	**0.4**	**96.3**	**124.1**	**13.9**	**50.2**	**—**	**284.9**
Carrying amounts							
As of Jan 1, 2022	7.0	191.0	263.5	13.6	54.8	88.9	618.8
As of Dec 31, 2022	7.2	259.1	436.8	35.3	84.9	342.5	1,165.8

[1] Additions for assets under construction in 2022 contain non-cash additions of MEUR 37.7
[2] Contains a reclassification from Assets under construction, previously recognized under Property, Plant and Equipment, to Internally developed software (see Note 10).
[3] The impairment has been recorded with MEUR 4.4 in the North America segment and with MEUR 0.5 in the International segment and with MEUR 1.5 in the Holding.

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Depreciation included in the consolidated statement of comprehensive income is split as follows:

in MEUR	2023	2022
Included in fulfilment expenses:	155.3	113.6
Included in marketing expenses:	0.9	0.6
Included in general and administrative expenses:	26.3	22.1
Total	**182.5**	**136.3**

9. Leases

As of 31 December 2023 the Group recognized right-of-use assets in an amount of MEUR 504.8 (31 December 2022: MEUR 472.1). Additions to right-of-use assets totaled MEUR 141.0 (2022: MEUR 265.5) and mainly relate to the commencement of the lease contracts of our offices, power grids, equipment, fulfilment centers across various geographies as well as vehicles in the US, Benelux and France as well as modifications due to higher rents as driven by the CPI increase. The total movement of right-of-use assets is presented within the schedule of movements of property, plant and equipment in Note 8.

Total lease liabilities amount to MEUR 550.3 as of 31 December 2023 (31 December 2022: MEUR 505.4). The table below summarizes the maturity profile of the Group's lease liabilities based on contractual undiscounted cash flows:

	Under 1 year	1 to 5 years	> 5 years	Total
as of 31 December 2023	118.0	355.9	323.1	797.0
as of 31 December 2022	90.3	307.7	369.9	767.9

The Group has additionally made a commitment to enter into several lease contracts not yet commenced. These mainly include offices in several geographies and vehicles mainly in the US and Canada. These leases upon commencement will lead to total additional payments (including all options to extend these leases) of up to MEUR 11.5 (2022: MEUR 40.6).

Extension options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension options held are exercisable only by the Group and not by the respective lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group has estimated that the potential undiscounted cash-outflow from extension options that were not included in the measurement of lease liabilities would amount to MEUR 165.0 as of 31 December 2023 (2022: MEUR 166.1).

During the year ended 31 December 2023 the Group recognized depreciation in the amount of MEUR 95.2 (2022: MEUR 73.0). Of this total, an amount of MEUR 80.0 (2022: MEUR 59.4) is included within fulfilment expenses and MEUR 15.2 (2022: MEUR 13.6) in general and administrative expenses.

Interest expense on lease liabilities amounted to MEUR 26.9 in 2023 (2022: MEUR 14.2).

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss in accordance with IFRS 16.5. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture. During the fiscal year ended 31 December 2023 the Group recognized expenses relating to low value assets and short-term leases in an amount of MEUR 19.2 (2022: MEUR 12.1), of which MEUR 17.3 (2022: MEUR 10.6) are shown in fulfilment expenses, MEUR 0.4 (2022: MEUR 0.1) in marketing expenses and MEUR 1.4 (2022: MEUR 1.4) in general and administrative expenses. There was no material change in the portfolio of short-term leases during the fiscal year.

Interest paid on lease liabilities amounted to MEUR 26.9 (2022: MEUR 14.2) and is presented in the cash flow from operating activities. Cash payments for the principal portion of the lease liabilities amounted to MEUR 75.6 (2022: MEUR 60.9) and are presented within cash flow from financing activities (see Consolidated Statements of Cash Flows). Short term lease payments and payments for leases of low-value assets amounted to MEUR 25.7 (2022: MEUR 25.3) and are presented within cash-flow from operating activities.

As of 31 December 2023 the carrying amount of the lease receivables for the office subleases in the US and the UK is MEUR 3.8 (2022: MEUR 5.2). During the fiscal year the Group recognized interest earned from sub-leases in an amount of MEUR 0.2 (2022: MEUR 0.2). The sum of undiscounted lease payments to be received from sub-leases amount to MEUR 4.0 (2022: MEUR 5.8), they will be received in the course of the next three years.

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10. Intangible Assets

Intangible assets mainly relate to: (i) internally generated software for internal use, which comprises many proprietary software applications within the Group's order management, fulfilment, marketing and data activities, (ii) software licenses, (iii) trademarks, patents and similar right and licenses, and (iv) customers base in the context of the acquisition of Factor and Youfoodz in 2020 and 2021, respectively.

Costs relating to the development are capitalized when those meet the requirements of IAS 38 "Intangible Assets". Furthermore, impairments as well as amortization reviews are done on an annual basis. For the year ended as of 31 December 2023 the total amount of own-developed software capitalized was MEUR 42.8 (2022: MEUR 34.4).

In 2023 the Group spent MEUR 155.1 (2022: MEUR 154.1) on technology, including salaries for our several hundred developers and data engineers (research and development cost). Except for the amounts capitalized under internally developed software, these costs are recognized in profit and loss.

The internally generated software are amortized once the asset is ready for use, or when a certain phase of the development is successfully completed. The tables below present the movements in the carrying amount of intangible assets:

Schedule of movements of intangible assets in 2023:

in MEUR	Internally developed software	Software licenses	Trademarks, patents and similar right and licenses	Customer base	Assets under development	Total
Historical cost						
As of Jan 1, 2023	48.6	38.6	40.5	18.1	20.7	166.5
Additions	25.9	10.9	1.7	—	16.9	55.4
Reclassifications [1]	30.0	(7.4)	—	—	(22.9)	(0.3)
Impairment [2]	(1.7)	—	—	—	—	(1.7)
Currency translation	(0.1)	(0.2)	(1.4)	(0.6)	—	(2.3)
As of Dec 31, 2023	**102.7**	**41.9**	**40.8**	**17.5**	**14.7**	**217.6**
Amortization						
As of Jan 1, 2023	25.7	16.7	7.0	16.8	—	66.2
Additions	20.6	12.7	3.9	1.1	—	38.3
Reclassifications	5.0	(5.0)	—	—	—	—
Currency translation	(0.2)	(0.4)	(0.2)	(0.6)	—	(1.4)
As of Dec 31, 2023	**51.1**	**24.0**	**10.7**	**17.3**	**—**	**103.1**
Carrying amounts						
As of Jan 1, 2023	22.9	21.9	33.5	1.3	20.7	100.3
As of Dec 31, 2023	51.6	17.9	30.1	0.2	14.7	114.5

[1] Contains a reclassification from Assets under construction, previously recognized under Property, Plant and Equipment (see Note 8), to Internally developed software

2 The impairment of MEUR 1.7 is recorded in the Holding.

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Schedule of movements of intangible assets in 2022:

in MEUR	Internally developed software	Software licenses	Trademarks, patents and similar right and licenses	Customer base	Assets under development	Total
Historical cost						
As of Jan 1, 2022	20.7	19.1	38.8	17.3	23.1	119.0
Additions	5.1	11.1	0.1	—	29.3	45.6
Reclassifications [1]	23.3	10.3	—	—	(31.1)	2.5
Disposal	—	—	(0.2)	—	—	(0.2)
Impairment [2]	(0.6)	(1.5)	—	—	—	(2.1)
Currency translation	0.1	(0.4)	1.8	0.8	(0.6)	1.7
As of Dec 31, 2022	**48.6**	**38.6**	**40.5**	**18.1**	**20.7**	**166.5**
Amortization						
As of Jan 1, 2022	13.5	8.6	2.9	11.4	—	36.4
Additions	12.3	8.3	4.1	4.8	—	29.5
Currency translation	(0.1)	(0.2)	—	0.6	—	0.3
As of Dec 31, 2022	**25.7**	**16.7**	**7.0**	**16.8**	**—**	**66.2**
Carrying amounts						
As of Jan 1, 2022	7.2	10.5	35.9	5.9	23.1	82.6
As of Dec 31, 2022	22.9	21.9	33.5	1.3	20.7	100.3

[1] Contains a reclassification from Assets under construction, previously recognized under Property, Plant and Equipment (see Note 6), to Internally developed software.

[2] The impairment has been recorded with MEUR 1.5 in our International segment and with MEUR 0.6 in the Holding.

Amortization included in the consolidated statement of comprehensive income is split as follows:

in MEUR	2023	2022
Included in fulfilment expenses	1.5	1.9
Included in general and administrative expenses	36.5	27.6
Total	**38.3**	**29.5**

11. Inventories

Inventories are comprised as follows:

in MEUR	31 December 2023	31 December 2022
Ingredients	163.3	214.6
Packaging material	32.7	32.0
WIP and finished goods	23.5	15.5
Other	3.0	4.6
Total inventories	**222.4**	**266.7**

Ingredients represent primarily products with a relatively longer shelf life and frozen proteins. Packaging consists of empty packaging materials. WIP represents ingredients in process of kitting / cooking and finished goods represent products that were shipped but not yet delivered to the final customers.

During 2023, inventories that were expensed amounted to MEUR 2,326.7 (2022: MEUR 2,388.5). Write-downs of obsolete inventories recognized in profit and loss during the year 2023 amount to MEUR 21.3 (2022: MEUR 12.4). Balances of inventory which the Group did not use during the production week and donated to its business partners amount to MEUR 24.0 (2022: MEUR 26.0).

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12. Cash and Cash Equivalents

Cash and cash equivalents are comprised as follows:

in MEUR	31 December 2023	31 December 2022
Cash at bank and on hand	426.8	466.6
Cash equivalents	6.3	37.4
Cash and cash equivalents	**433.1**	**504.0**

As of 31 December 2023 and any previous years, there were no overdraft balances. Restricted cash balances are not included within Cash and Cash Equivalents, but presented within current and non-current other financial assets.

In addition to cash at banks, the balance for cash at bank and on hand as of 31 December 2023 contains cash balances held by payment service provider (PSPs) amounting to MEUR 51.8 (2022: MEUR 34.1), if they fulfill the criteria for presentation as cash. PSPs are financial institutions that perform payment processing services for the Group.

For balances held by PSPs, the Company has appropriate safeguards in place by actively managing its exposure to credit risk through its selection, and continued monitoring of the credit rating of its payment service providers. The Group uses segregated accounts, and frequently transfers the funds collected on its behalf to its bank accounts. All balances are immediately due, and paid out on a regular basis every few days as agreed with the PSPs.

Cash equivalents consist of deposits with initial maturity of 3 months and less. For further information reference is made to [illegible].

13. Financial Instruments

Financial Assets

With the exception of derivative financial instruments which are accounted for as fair value through profit or loss (Level 2 of the fair value hierarchy) and two financial assets, included within other financial assets (non-current) (Level 3 of the fair value hierarchy), the majority of financial assets held by the Group are measured at amortized cost according to IFRS 9. Please refer to the accounting policies in [illegible]. Management assessed that for those assets and liabilities measured at amortized cost, which include trade receivables, other financial assets, cash and cash equivalents, trade payables, and other financial liabilities, their fair values approximate their respective carrying amounts largely due to short-term maturities of these instruments. 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	31 December 2023	31 December 2022
Other financial assets (non-current)	21.9	20.4
Trade receivables	17.8	21.0
Other financial assets (current)	19.1	12.3
Cash and cash equivalents	433.1	504.0
Total	**491.9**	**557.7**

Other financial assets (non-current) include a receivable of MEUR 6.3 (2022: MEUR 4.4) from the sale of tax credits to a third party. The asset is measured at fair value through profit and loss (Level 3 of the fair value hierarchy). The tax credit has been granted to the Group for relocating to and expanding operations in Newark, New Jersey by the New Jersey Economic Development Authority (NJEDA) under the Grow New Jersey Assistance Program. These tax credits, which were granted in 2015, amount to a total maximum of MUSD 28.7 and will be earned over a ten-year term. Receipt of the tax credits is dependent upon compliance with certain requirements related to capital investment as well as job creation and retention targets over a period of 15 years. HelloFresh has signed an agreement with a third party to sell such credits, pending tax credit transfer certificate from NJDEA, for 93 Cents on the Dollar. Therefore, HelloFresh is not required to generate sufficient taxable income in the state of New Jersey to benefit from the tax credits. Further, they also comprise future lease payments receivable of MEUR 3.8 (2022: MEUR 5.2) from sub-leases classified as finance lease and the remaining balance mainly consists of restricted cash balances. Restricted cash balances are mainly comprised of cash deposits with respect to lease agreements. Restricted cash is measured at amortized cost and presented at face value.

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Other financial assets (current) includes restricted cash in amount of MEUR 9.5 (2022: MEUR 4.5) and deposits in amount of MEUR 1.2 (2022: MEUR 1.6). The remaining balance includes various other miscellaneous financial assets.

Trade receivables decreased as of 31 December 2023 due to the timing of customer payment runs at year end. The carrying amount is MEUR 17.8 as of 31 December 2023 (2022: MEUR 21.0). The Group has recorded an allowance for uncollectible amounts of MEUR 21.8 (2022: MEUR 23.1). The impairment allowance for receivables throughout the year is calculated using the expected credit losses based on historical data according to IFRS 9 (see also NOTE 3). Write-off of receivables occurs for all receivables over 180 days. New entities with insufficient historical credit loss data and also smaller entities with no material amounts of trade receivables are excluded. The Group engages external dunning and collection agencies in certain countries to support the collection of bad debts. The current macroeconomic situation did not have any material impact on the collectability of the receivables. Further information is included in NOTE 14.

Financial Liabilities

All financial liabilities are measured at amortized cost except for derivative financial liabilities (Level 2 of the fair value hierarchy, refer to NOTE 14) as well as the financial liability for cash-settled share-based compensation which is measured at fair value according to IFRS 2 (see also NOTE 3).

All financial liabilities are disclosed below:

in MEUR	31 December 2023	31 December 2022
Other financial liabilities (non-current)	441.1	416.8
Trade payables	560.2	557.6
Other financial liabilities (current)	115.5	130.9
Long term debt excl. convertible bond	0.1	0.2
Long term debt from convertible bond	163.7	160.6
Total	**1,280.6**	**1,266.1**

On 13 May 2020, HelloFresh SE issued a 5 year convertible bond of MEUR 175.0. The convertible bond bears a coupon rate of 0.75 % payable semi-annually. It is split into two components, the debt component (84.9 %) reported along with other debt instruments and the equity component (15.1 %) reported in equity. The debt component of MEUR 163.7 (2022: MEUR 160.6) is the present value of all the future payments discounted at 4.17 % (4.5 % credit spread together with a negative swap rate of (0.33 %). During the year 2023, total interest expense related to the convertible bond amounts to MEUR 7.2 (2022: MEUR 6.9). In October 2023 the Group announced a buy-back program with a total combined volume of up to EUR 150 million (excluding costs incidental to the repurchases). The buy-back program is expected to be terminated at the latest on 31 December 2024. During the year 2023, HelloFresh has repurchased convertible bonds with a nominal amount of MEUR 3.0 at a weighted average transaction price of 93.04 %. The outstanding convertible bonds maturing in 2025 included within financial liabilities amount to MEUR 163.7 and the equity component amounts to MEUR 26.0.

Other financial liabilities (non-current and current) mainly includes lease liabilities, which are split into a long-term component (2023: MEUR 440.8; 2022: MEUR 415.7) and a short-term (2023: MEUR 109.6; 2022: MEUR 89.7) component. The current portion of the other financial liabilities decreased in comparison to 31 December 2022, mainly due to the payout of contingent purchase price consideration for the acquisition of Factor, which is now settled in full (31 Dec 2022: MEUR 35.2, measured at fair value through profit and loss, Level 3 of the fair value hierarchy). Other financial liabilities also include cash-settled share-based payment liabilities of MEUR 2.7 (2022: MEUR 6.1). The remaining balance of other financial liabilities (current) is related to interest payable on long-term debt, derivative financial liabilities and credit card liabilities.

Trade payables have increased to MEUR 560.2 in 2023 (2022: MEUR 557.6) and primarily comprise balances payable to ingredient suppliers, carriers, partners providing warehousing, packaging providers and providers of marketing services.

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

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Reconciliation of movement in liabilities to cash flow is as follows:

in MEUR	31 December 2022	Cash flows	Other non-cash flow changes [1]	Non-cash flow changes (New leases)	31 December 2023
Long term debt	0.2	(0.1)	—	—	0.1
Convertible bond	160.6	(2.8)	5.9	—	163.7
Leasing liabilities	505.4	(75.6)	(20.5)	141.0	550.3
Contingent purchase price liability	35.2	(34.5)	(0.7)	—	—
Cash-settled share-based compensation liability	6.1	(1.6)	(1.8)	—	2.7

in MEUR	31 December 2021	Cash flows	Other non-cash flow changes [1]	Non-cash flow changes (New leases)	31 December 2022
Long term debt	0.2	—	—	—	0.2
Convertible bond	155.0	—	5.6	—	160.6
Leasing liabilities	306.5	(60.9)	(5.7)	265.5	505.4
Contingent purchase price liability	52.8	(25.6)	8.0	—	35.2
Cash-settled share-based compensation liability	25.1	(2.4)	(16.6)	—	6.1

[1] *Include for both 2023 and 2022 changes in fair value, foreign exchange adjustments, interest expense and interest payments (presented as operating cash flows).*

The non-cash flow changes of contingent purchase price liability of MEUR (0.7) in 2023 (2022: MEUR 8.0) related to foreign exchange effects.

14. Financial Risk Management

The risk management function within the Group is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits and ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures in order to minimize operational and legal risks. Risk management is carried out by a central finance and legal department under the control of management.

Credit Risk

Credit risk is defined as the possibility of a customer or other counterparty not fulfilling its commitments towards the Group. Exposure to credit risk arises as a result of the sale of products offering various payment methods and other transactions with counterparties giving rise to financial assets. On account of the type of business, exposure to credit risk with customers is limited because cash is usually received before or at the time of the sale or delivery. However, certain receivables have lower collectability rates and are subject to a higher level of credit risk due to the corresponding payment method used. Derivatives are entered into with bank and financial institution counterparties, which are all investment grade rated.

The Group's maximum exposure to credit risk by class of assets is as follows:

in MEUR	31 December 2023	31 December 2022
Other financial assets (non-current)	21.9	20.4
Trade Receivables	17.8	21.0
Other financial assets (current)	19.1	12.3
Cash and cash equivalents	433.1	504.0
Total	**491.9**	**557.7**

The Group structures the levels of credit risk undertaken by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review.

Credit risk related to doubtful accounts that are subject to legal action or those overdue is monitored centrally on a regular basis. In certain countries of operation an external collection agency is engaged to pursue outstanding amounts.

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The Group utilizes a number of different banks to address the counterparty risk on its cash balances and restricted cash balances included within other financial assets. The Group only holds cash with large international banks of high reputation which are investment grade rated as of the date of these financial statements and payment services providers that are of low credit risk. The Group's treasury policy provides guidance on counterparty cash exposure limits.

The composition of trade receivables by geographic location of amounts due from businesses such as marketing portals ('B2B') and customers net of any allowances for uncollectible amount was as follows:

Trade receivables

	31 December 2023								
Category	Australia	Canada	Germany (incl. Austria)	Others [1]	BeNeLux	Nordics countries	United Kingdom	United States	Total
B2B	5.4	1.5	1.1	1.0	1.2	0.7	0.1	3.0	**14.0**
Customers	1.7	—	0.6	0.4	0.2	0.2	0.4	0.3	**3.8**
Total	**7.1**	**1.5**	**1.7**	**1.4**	**1.4**	**0.9**	**0.5**	**3.3**	**17.8**

	31 December 2022								
Category	Australia	Canada	Germany (incl. Austria)	Others [1]	BeNeLux	Nordics countries	United Kingdom	United States	Total
B2B	5.6	1.1	0.7	0.7	1.3	1.4	0.4	3.2	**14.4**
Customers	3.1	—	0.6	1.0	0.6	0.2	0.2	0.9	**6.6**
Total	**8.7**	**1.1**	**1.3**	**1.7**	**1.9**	**1.6**	**0.6**	**4.1**	**21.0**

[1] Others includes France, Ireland, Italy, Japan (for 2022), New Zealand, Philippines, Spain and Switzerland.

As at 31 December 2023 amounts due from customers are MEUR 3.8 (2022: MEUR 6.6) and amounts due from other businesses are MEUR 14.0 (2022: MEUR 14.4). The former are subject to a higher credit risk and therefore monitored and, in certain cases, pursued by an external collection agency. All boxes shipped to customers are immediately due for payment.

The loss allowances for trade receivables as at 31 December 2023 amounted to MEUR 21.8 (2022: MEUR 23.1).

The Group does not hold any long-term trade receivables. Trade receivables are written-off after they are 180 days overdue, while any collection after impairment is already reflected in the ECL measurement. Therefore the major part of trade receivables, for which expected credit loss allowance was recognised as per 31 December 2022, were written-off during 2023. The Group uses an allowance matrix to measure the 12-month Expected Credit Loss of trade receivables. Net remeasurement of loss allowance amounted to MEUR 21.8 as at 31 December 2023 (2022: MEUR 23.1).

In the regular course of business, the Group makes deposits with various counterparties to commercial agreements.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management monitors cash balances and movements in cash on a weekly basis. Please refer to NOTE 25 for additional information to liquidity management of the Group.

The Group seeks to maintain a stable funding base through our customer payments and by optimizing the cash flow from operations. The Group's cash flow from operations in 2023 was a positive MEUR 383.8 (2022: MEUR 313.4). The Group held a cash position of MEUR 433.1 (2022: MEUR 504.0) at 31 December 2023. In addition, the company has a MEUR 400.0 revolving credit facility in place of which MEUR 365.5 is not utilized, and available at 31 December 2023. Intragroup working capital management is supported through cash pooling arrangements.

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As at 31 December 2023, the Group's non-current financial liabilities consist of long-term leasing liabilities amounting to MEUR 440.8 (2022: MEUR 415.7). In addition, the Group has issued a convertible bond of MEUR 175.0, of which MEUR 163.7 are recognized as debt as of 31 December 2023 (2022: MEUR 160.6). As of 31 December 2023 and 2022, the major part of current financial liabilities is comprised of trade payables, which were due within 30 days.

The tables below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted cashflows:

Year ended 31 December 2023, in MEUR	Under 1 year	1 to 5 years	> 5 years	Total	Carrying amount
Trade payables	560.2	—	—	560.2	560.2
Other financial liabilities (current)	5.9	—	—	5.9	5.9
Lease Liabilities (current and non-current)	118.0	355.9	323.1	797.0	550.4
Convertible bond	1.3	172.6	—	173.9	163.7
FX Derivatives[1]:					(0.3)
gross inflows	(14.6)	—	—	(14.6)	
gross outflows	14.3	—	—	14.3	
Total	**685.1**	**528.5**	**323.1**	**1,536.7**	**1,279.9**

Year ended 31 December 2022, in MEUR	Under 1 year	1 to 5 years	> 5 years	Total	Carrying amount
Trade payables	557.6	—	—	557.6	557.6
Other financial liabilities (current)	41.2	—	—	41.2	41.2
Lease Liabilities (current and non-current)	90.3	307.7	369.9	767.9	505.4
Convertible bond	—	175.0	—	175.0	160.6
FX Derivatives [1]:					0.2
gross inflows	(26.6)	—	—	(26.6)	
gross outflows	26.8	—	—	26.8	
Total	**689.3**	**482.7**	**369.9**	**1,541.9**	**1,265.0**

1 For derivatives that have simultaneous gross cash settlement cash inflows and outflows have been shown on a gross basis.

Please refer to financial instruments in NOTES and risk report within the combined management report for further information on liquidity risk.

Market Risk

The Group takes on exposure to market risks. Market risk is the risk that changes in market prices, such as the achievable selling prices for goods or the price level for food and other merchandise will affect the Group's results of operations or the value of the financial instruments held. Market risks also arise from exposure to transactions in foreign currencies. Management sets limits on the value of risk that may be accepted, which are monitored on a regular basis. In limited instances, the Group also uses derivatives to manage its FX risks. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated – for example changes in interest rates and changes in foreign currency rates.

a) Currency Risk

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Group operates internationally through local operating subsidiaries. These subsidiaries predominantly execute their operating activities in their respective functional currencies providing a natural FX offset.

FX forward derivative instruments designated in net investment hedges are included within "Other financial assets (current)" as well as "Other financial liabilities (current)". The notional amount (in EUR equivalent) of outstanding EUR/USD and EUR/AUD FX derivatives designated in net investment hedges was 13,755,656 and 553,403 respectively.

All FX forwards contracts (EUR/USD and EUR/AUD) are maturing in less than 1 year with a weighted average strike rate of 1.08 & 1.66, respectively.

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Net Investment Hedges

A foreign currency exposure arises from the Group's net investment in its US, Australian and Canadian subsidiaries that have USD, AUD and CAD functional currencies respectively. The risk arises from the fluctuation in spot exchange rates between the functional currency of these subsidiaries and the Groups's reporting currency Euro, which causes the amount of the net investment at each reporting period to vary.

The hedged risk in the net investment hedge is the risk of a weakening in the USD, AUD and CAD against the Euro that will result in a reduction in the carrying amount of the Group's foreign net investments. The Group has elected to hedge a portion of its total net investment in foreign operations with FX Forwards.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing the critical terms (currency, amount and timing of respective cash flows). The main sources of ineffectiveness are:

- the effect of the counterparties' and the Group's own credit risk on the fair value of the forward foreign exchange contracts; and
- A reduction in the amount of the foreign net assets below the designated hedged amount.

There was no ineffectiveness recognized in the Consolidated Statement of Comprehensive Income for both current and prior year.

Balances remaining in OCI from continuing hedging relationships amounted to MEUR 0.3 as at 31 December 2023 (2022: MEUR (0.2)). Balances remaining in OCI from hedging relationships for which hedge accounting is no longer applied amounted to MEUR 0.1 as at 31 December 2023 (2022: MEUR 0.0).

Currency sensitivity

The Group has assessed the sensitivity to a reasonably possible change in the closing exchange rate of the Euro against significant currencies with all other variables held constant. The sensitivities are based on financial assets and financial liabilities held at the end of the reporting period where balances are not denominated in the functional currency of the entity. The group-level currency exposure is the basis for the sensitivity analysis. Assuming Euro to appreciate or depreciate 10 % against all other currencies in which the Group deals, the impact on the profit /(loss) would be:

	EUR +/- 10% change	
ISO Code / in MEUR	31-Dec-23	31-Dec-22
AUD	+/-5.9	+/-8.8
CAD	+/-1.8	+/-3.1
CHF	+/-0.4	+/-0.6
CZK	+/-0.0	+/-0.0
DKK	+/-0.7	+/-0.6
GBP	+/-4.5	+/-14.1
JPY	+/-0.2	+/-0.0
NOK	+/-0.2	+/-0.5
NZD	+/-0.1	+/-1.0
PHP	+/-0.0	+/-0.2
SEK	+/-1.1	+/-0.5
USD	+/-35.3	+/-46.4
Total	**+/-50.2**	**+/-75.8**

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates was relating primarily to the Group's revolving credit facility, where an interest margin is applied to the floating EURIBOR base rate. As of 31 December 2023, the revolving credit facility is largely undrawn, so the interest rate risk is not material. The convertible bond issued by the Group during 2020 has a fixed coupon rate and has no interest rate risk as it does not change due to changes in the EURIBOR base rate. In our view there is no meaningful interest rate risk involved for the IFRS 16 interest charges as any change in incremental borrowing rate used for the leases has a direct impact on the corresponding lease liability and right of use of asset at the same amount.

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Offsetting and enforceable master netting agreements

When we have a legally enforceable right to offset our financial assets and liabilities and an intention to settle on a net basis, or realise the asset and settle the liability simultaneously, we report the net amount in the consolidated statement of financial position. Agreements with derivative counterparties are based on the "Rahmenvertrag für Finanztermingeschäfte (DRV)" framework wherein master netting agreements do not meet the criteria for offsetting, but allow for the related amounts to be set-off in certain circumstances. As of 31 December 2023, there were no derivative amounts offset in the statement of financial position (2022: Nil) and no material balances associated with enforceable master netting agreements (2022: Nil).

15. Other Non-Financial Assets

As of the reporting date, other current non-financial assets amounted to MEUR 132.5 (2022: MEUR 108.2), and mainly comprised of prepaid expenses of MEUR 64.7 (2022: MEUR 59.6), and VAT receivable of MEUR 35.1 (2022: MEUR 34.8).

16. Other Non-Financial Liabilities

As of the reporting date, other current non-financial liabilities amounted to MEUR 118.0 (2022: MEUR 99.2), and mostly relate to accruals for payroll and employee benefits of MEUR 90.3 (2022: MEUR 75), and VAT payable of MEUR 13.9 (2022: MEUR 17.8).

17. Share Capital and Capital Reserves

	Share capital		Capital reserves		
	Registered Share Capital in EUR	Number of shares	Change in capital paid in (in MEUR)	Transaction costs (in MEUR)	Total (in MEUR)
As of Jan 1, 2023	**171,928,378**	**171,928,378**	**366.0**	**(10.0)**	**356.0**
Issue of ordinary share capital	1,262,184	1,262,184	(0.4)	—	(0.4)
As of 31 December 2023	**173,190,562**	**173,190,562**	**365.6**	**(10.0)**	**355.6**

	Share capital		Capital reserves		
	Registered Share Capital in EUR	Number of shares	Change in capital paid in (in MEUR)	Transaction costs (in MEUR)	Total (in MEUR)
As of Jan 1, 2022	**173,942,278**	**173,942,278**	**489.1**	**(9.8)**	**479.3**
Issue of ordinary share capital	200,327	200,327	(0.1)	—	(0.1)
Capital reduction	(2,214,227)	(2,214,227)	(123.0)	(0.2)	(123.2)
As of 31 December 2022	**171,928,378**	**171,928,378**	**366.0**	**(10.0)**	**356.0**

As of 31 December 2023, the registered share capital of the Company amounts to EUR 173,190,562, which is divided into 173,190,562 no par-value shares (31 December 2022: EUR 171,928,378 divided into 171,928,378 no-par value shares). The Company holds 2,079,756 (31 December 2022: 231,954) treasury shares. The Management Board, with the consent of the Supervisory Board, is authorized to increase the registered share capital, after partial exhaustion, until 11 May 2025 by up to EUR 45,720,173 through the issuance of up to 45,720,173 no-par value shares (Authorized Capital 2022/I). The share capital of the Company is conditionally increased, after partial revocation, by up to EUR 5,000,000 by issuing up to 5,000,000 no-par value bearer shares to serve the granting of shares on the exercise of conversion or option rights or the fulfilment of conversion or option obligations to the holder or creditor of convertible bonds, warrant bonds, profit participation rights and / or income bonds (or a combination of these instruments) (Conditional Capital 2018/II). The share capital of the Company is conditionally increased by up to a further EUR 17,394,227 by issuing up to 17,394,227 no-par value bearer shares to serve the granting of shares upon the exercise of conversion or option rights or upon the fulfilment of conversion or option obligations to the holders or creditors of convertible bonds, bonds with warrants, profit participation rights and / or participating bonds (or a combination of these instruments) (Conditional Capital 2022/I).

The increase of the share capital in 2023 was driven by the issuance of shares for the settlement of virtual options (VSOP's) and restricted stock units (RSUs) of certain beneficiaries. As a result, the Company's share capital was increased by EUR 1,262,184 to EUR 173,190,562 by issuing 1,262,184 no-par value shares. The changes of the share capital were entered into the commercial register.

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In agreement with the Supervisory Board, the Management Board proposes that the accumulated profit of the parent company HelloFresh SE in the amount of MEUR 311.2 shall be carried forward to the next financial year.

Convertible bond

On 13 May 2020 HelloFresh SE issued a 5 years convertible bond of MEUR 175.0 with a coupon rate of 0.75% payable semi-annually. The convertible bond is split into two components. The debt component (84.9%) is reported along with other debt instruments and the equity component (15.1%) is reported in capital reserves. The debt component is the present value of all future payments discounted at the prevailing market rate of 4.17% (4.5% credit spread with swap rate of 0.33%). The difference between the present value of all future payments (MEUR 146.3) and the total issue (MEUR 175.0) represents the equity component (MEUR 26.0). The transaction costs for the issue of the convertible bond amount to MEUR 2.7.

Due to the bond buy back in fiscal year 2023, the equity component of the remaining outstanding bonds has been reduced slightly to MEUR 26.0 (refer to NOTE 18).

18. Provisions

As of 31 December 2023 the current provisions amount to MEUR 21.8 (2022: MEUR 30.3) and mostly relate to customer credits and refunds and legal, tax and other related provisions. The change in current provisions is due to the provisions used during the year of MEUR 18.3 (mainly related to assets retirement obligations for leased assets, customer credit and refunds and legal, tax and other related provisions), provisions reversed during the year of MEUR 2.5 (mainly related to legal, tax and other related provisions) and provisions made during the year of MEUR 11.3 (mainly related to customer credit and refunds). Also, the change in current provisions was affected by the foreign currency translation differences of MEUR 0.8 and reclassification from non-current provisions of MEUR 1.7.

As of 31 December 2023 the non-current provisions amount to MEUR 31.5 (2022: MEUR 23.2) and are mostly related to the estimated future costs to be incurred in dismantling any underlying assets and restoring the leased premises (fulfilment centers and offices) to their original condition as required by the lease contract at the end of the respective lease terms. These costs include services of external organizations for dismantling the equipment and removal of leasehold property improvements, utilization and labour costs. The major provisions are recognized for the restoration costs of leased premises in the USA, the UK and in Germany. The change in non-current provisions is due to provisions made during the year of MEUR 11.1 (mainly related to assets retirement obligations) and provisions reversed during the year of MEUR 0.6. Also, the change in non-current provisions was affected by the foreign currency translation differences of MEUR 1.4 and reclassification to current provisions of MEUR 1.7.

19. Share-Based Compensation

The total share-based payment expense recognized within employee benefit expenses is disclosed below. All equity-settled plans are recognized distinctively in other reserves which as of 31 December 2023 amounted to MEUR 83.8 (2022: MEUR 72.2).

The cash-settled share-based compensation is included within financial liabilities which as of 31 December 2023 amounted to MEUR 2.7 (2022: MEUR 6.1)

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

In MEUR	2023	2022
Equity-settled plans	83.8	72.2
Cash-settled plans	(1.8)	(16.7)
Total	**82.0**	**55.5**

Equity-settled share-based compensation

During the year ended 31 December 2023, the Group operated two equity-settled share-based compensation schemes under which new awards were granted, the Virtual Stock Option Program 2019 and Restricted Stock Unit Program 2019. None of the awards expired during the year.

During 2023, the entity exercised the option of settling the vested grants in cash amounting to MEUR 1.4. The remaining grants and options from these programs (RSUs and VSOPs) were accounted as equity-settled as the intent of the entity is to settle these grants in equity.

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Management has employed the "Black and Scholes Option Model" method in order to calculate the theoretical fair values of the Virtual Stock Option Programs. The expected volatility is based on the historical volatility of the market traded options of HelloFresh. Please refer to NOTE 4.

Inputs into the model	2023	2022
Value per common share (EUR)	15.92 - 26.96	26.61 - 56.26
Exercise price (EUR)	15.92 - 26.96	26.61 - 56.26
Grant date fair value	7.35 - 12.46	12.77 - 19.93
Expected volatility [1]	56.3% - 57.2%	46.5% - 61.4%
Expected term (in years)	4	4
Expected dividend yield	Nil	Nil
Risk-free interest rate	2.3%-2.6%	-0.5%-2.1%

[1] Expected volatility is based on implied volatility in 2022 and historical volatility in 2023. For details please refer to NOTE 4

The Group treats the following outstanding share-based compensation schemes as equity settled. The following overview summarizes all share-based compensation schemes with existing outstanding grants as of 31 December 2023:

Virtual Stock Option Program 2016 (VSOP 2016)

	2023 Number of awards (in millions)	2023 WAEP (EUR)	2022 Number of awards (in millions)	2022 WAEP (EUR)
Number of awards outstanding at the beginning of the year	**2.4**	**7.60**	**2.5**	**10.25**
Granted during the year	—	—	—	—
Forfeited during the year	0.0	13.28	0.0	12.10
Exercised during the year	—	10.79	(0.1)	10.00
Number of awards outstanding at the end of the year	**2.4**	**9.31**	**2.4**	**7.60**

The weighted average remaining contractual life for the options outstanding as at 31 December 2023 was 3.5 years (2022: 4.5 years).

Out of the 2.4 million awards outstanding for the VSOP 2016 as at 31 December 2023, all awards were exercisable. After the end of the waiting period, all the outstanding grants can be exercised in the range of EUR 7.69 - EUR 13.50.

Under this plan, which was initiated in 2016, eligible employees and members of the Management Board of the Company and its subsidiaries received share appreciation rights. The settlement amount depended on the development of the share price of the shares of the Company. The awards contained non-market performance conditions related to the achievement of revenue and adjusted EBITDA targets of the Company or its subsidiaries in 2018, however awards that were granted in March and April 2018 under VSOP 2016 were related to the achievement of revenue and adjusted EBITDA targets of the Company or its subsidiaries in 2019.

The awards vested over a period of four years and are exercisable after a four-year overlapping waiting period for up to six years after the lapse of the waiting period. The Company was entitled, at its sole discretion, to deliver (in full or in part) shares in the Company upon exercise of the awards, provided that the shareholders had lawfully resolved on the acquisition or divestiture of treasury shares, a contingent capital or an authorized capital for such purposes. It was the Company's intention to settle these awards in equity to the extent legally permissible.

The Company granted the last awards under the VSOP 2016 plan, on 31 March 2018 and 13 April 2018 after which no further awards were granted under this scheme. All awards in HelloFresh SE post 13 April 2018 were granted under the new programs; Virtual Stock Option Program 2018, Virtual Stock Option Program 2019, Restricted Stock Unit Program 2018 and Restricted Stock Unit Program 2019, see below.

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Virtual Stock Option Program 2018 (VSOP 2018)

	2023 Number of awards (in millions)	2023 WAEP (EUR)	2022 Number of awards (in millions)	2022 WAEP (EUR)
Number of awards outstanding at the beginning of the year	**3.3**	**8.74**	**3.3**	**8.80**
Granted during the year	—	—	—	—
Forfeited during the year	0.0	10.25	—	11.14
Exercised during the year	-0.3	8.69	—	12.61
Number of awards outstanding at the end of the year	**3.0**	**8.74**	**3.3**	**8.74**

The weighted average remaining contractual life for the options outstanding as at 31 December 2023 was 5.1 years (2022: 6.1 years).

Out of the 3.0 million awards outstanding as at 31 December 2023, all awards were exercisable. After the end of waiting period, all the outstanding grants can be exercised in the range of EUR 7.25 - EUR 18.60.

Under this plan, which was initiated in 2018, eligible employees and members of the Management Board of the Company and its subsidiaries receive share appreciation rights. The settlement amount depends on the development of the share price of the shares of the Company. The awards contain non-market performance conditions related to the achievement of revenue and adjusted EBITDA targets of the Company or its subsidiaries. For all the employees awards granted in 2018, target achievement in financial year 2019 is relevant and for the awards granted in 2019, financial year 2020 is the relevant year. For the awards granted to the Management Board in 2018, target year for conditions related to the achievement of revenue and adjusted EBITDA targets of the Company is 2021 and for the awards granted in 2019, financial year 2021 is the target year. Given the strong development of the company between 2019 and 2021, the revenue and adjusted EBITDA targets have been fully achieved. The awards vest over a period of four years and are exercisable after a four-year overlapping waiting period for up to six years after the lapse of the waiting period. The Company is entitled, at its sole discretion, to deliver (in full or in part) shares in the Company upon exercise of the awards, provided that the shareholders have lawfully resolved on the acquisition or divestiture of treasury shares, a contingent capital or an authorized capital for such purposes. It is the Company's intention to settle these awards in equity to the extent legally permissible.

Virtual Stock Option Program 2019 (VSOP 2019)

	2023 Number of awards (in millions)	2023 WAEP (EUR)	2022 Number of awards (in millions)	2022 WAEP (EUR)
Number of awards outstanding at the beginning of the year	**4.3**	**44.13**	**2.0**	**41.54**
Granted during the year	3.5	21.3	2.6	47.14
Forfeited during the year	(0.5)	34.83	(0.3)	53.09
Exercised during the year	—	21.32	—	—
Number of awards outstanding at the end of the year	**7.2**	**34.01**	**4.3**	**44.13**

The weighted average remaining contractual life for the options outstanding as at 31 December 2023 was 8.2 years.

Out of the 7.2 million awards outstanding as at 31 December 2023, 3.5 million were exercisable. After the end of waiting period, all the outstanding grants can be exercised in the range of EUR 15.92 - EUR 86.50.

Under this plan, which was approved in 2019, eligible employees and members of the Management Board of the Company and its subsidiaries receive share appreciation rights. The first grants under this plan were executed in 2020. The settlement amount depends on the development of the share price of the shares of the Company. The awards contain non-market performance conditions related to the achievement of revenue and adjusted EBITDA targets of the Company or its subsidiaries. For all the employees awards granted in 2020, target achievement in financial year 2021 is relevant and for the awards granted in 2021, financial year 2022 is the relevant year. For the awards granted to the Management Board in 2020, target year for conditions related to the achievement of revenue and adjusted EBITDA targets of the Company is 2022 and for the awards granted in 2021, financial year 2023 is the target year. The awards vest over a period of three years and are exercisable after a four-year overlapping waiting period for up to six years after the lapse of the waiting period. VSOP 2019 awards granted after mid January 2022 do not contain any performance condition or waiting period. These awards are available to exercise after the vesting period up to ten years from the grant date. The Company is entitled, at its sole discretion, to deliver (in full or in part) shares in the Company upon

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exercise of the awards, provided that the shareholders have lawfully resolved on the acquisition or divestiture of treasury shares, a contingent capital or an authorized capital for such purposes. It is the Company's intention to settle these awards in equity to the extent legally permissible.

Restricted Stock Unit Program 2019 (RSUP 2019)

	2023 Number of awards (in millions)	2022 Number of awards (in millions)
Number of awards outstanding at the beginning of the year	**1.4**	**0.4**
Granted during the year	3.6	1.7
Forfeited during the year	(0.5)	(0.2)
Exercised during the year	(1.0)	(0.5)
Number of awards outstanding at the end of the year	**3.6**	**1.4**

As of 31 December 2023, 1.0 million awards were exercised. The Weighted Average Share Price on date of exercise was EUR 22.14. Out of the 3.6 million awards outstanding as at 31 December 2023, 0.3 million awards were exercisable (2022: 0.1 million).

Under this plan, which was approved in 2019, eligible employees and members of the Management Board of the Company and its subsidiaries receive share appreciation rights. The first grants under this plan were executed in 2020. The settlement amount depends on the development of the share price of the shares of the Company. The Company changed the vesting of all the new RSU awards to a quarterly vesting over a period of 36 months from mid January 2022. There was no change in the vesting of awards already granted in previous years. The Company is entitled, at its sole discretion, to deliver (in full or in part) shares in the Company upon exercise of the awards, provided that the shareholders have lawfully resolved on the acquisition or divestiture of treasury shares, a contingent capital or an authorized capital for such purposes. It is the Company's intention to settle these awards in equity to the extent legally permissible.

Virtual Option Programs 2013 - 2015

Starting in 2013, eligible participants were granted virtual options in the legal predecessors of the Company or their subsidiaries. The plans stipulate a choice for the Company between settling in cash or equity if, inter alia, a listing of the Company occurs. Following conversion of the legal form of the Company to a German stock corporation effective 2 November 2015 to a European Corporation (Societas Europaea), the Company was subjected to limitations on capital increase for settling of share option awards. Therefore, awards issued under these plans were reclassified as cash-settled awards as of 2015 as settlement in equity did not appear to be practicable due to legal restrictions. Due to further financing rounds up to 2017, the restrictions were lifted effectively from June 2017, all awards under these plans were reclassified back to equity-settled.

No further awards will be granted under these schemes.

The table below illustrates the number and weighted average exercise prices (WAEP) of, and movements in, virtual share awards. The number of options as well the weighted average exercise prices are stated in terms of shares in the Company to make the disclosure more meaningful.

In millions of awards	2023 Number of awards (in millions)	2023 WAEP (EUR)	2022 Number of awards (in millions)	2022 WAEP (EUR)
Number of awards outstanding at the beginning of the year	**0.17**	**0.00**	**0.17**	**0.00**
Granted during the year	—	—	—	—
Forfeited during the year	—	—	—	—
Exercised during the year	—	—	—	—
Number of awards outstanding at the end of the year	**0.17**	**0.00**	**0.17**	**0.00**

Of the 0.17 million awards outstanding as at 31 December 2023 (2022: 0.17 million), all were exercisable with an exercise price of EUR 0.000702, following the Company's Initial Public Offering, which took place on 2 November 2017.

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Cash-settled share-based compensation

The Group also operates a cash-settled share-based compensation program. When launching new businesses, HelloFresh typically reserves up to 10% (before any subsequent dilution) of the shares in these new entities for local senior management. After a period of four years, and subject to certain conditions, holders of those shares are entitled to put them at market value to HelloFresh. Refer also to NOTE 3 for further information.

The fair value of the put option has been measured using the Black-Scholes formula. The inputs used in the measurement of the fair values at grant date and measurement date of the cash-settled share-based compensation were as follows:

The value of the share price of the subsidiary is driven by a valuation formula which is based on the HelloFresh SE share price and adjusted for the underlying growth of the business. The exercise price of the subsidiary is typically low since it was determined shortly after the set-up of the subsidiary.

Additional inputs for the put option measurement is shown in the table below:

Inputs into the model	2023	2022
Expected volatility [1]	59.7%	61.4%
Expected term (in years)	0-4	0-3
Expected dividend yield	Nil	Nil
Risk-free interest rate	2.8% - 3.2%	2.6%

[1] Expected volatility is based on implied volatility in 2022 and historical volatility in 2023. For details please refer to NOTE 4.

The expected volatility is based on the historical volatility of the market traded options of HelloFresh. Please refer to NOTE 4.

The number of awards outstanding at the end of the year was 4,705 (2022: 5,259) with a weighted average exercise price of EUR 86.18 (2022: EUR 209.24). Total 1091 awards were exercised during the year (2022: 200) and 750 new awards were granted (2022: Nil).

Out of the 4,705 awards outstanding as at 31 December 2023, 3,426 awards were exercisable. After the end of waiting period, all the outstanding awards can be exercised in the range of EUR 0.00 - EUR 689.54.

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20. Employee Benefit Expenses

The breakdown of the wages and salaries costs within the Consolidated Statement of Comprehensive Income can be viewed below.

in MEUR	2023	2022
Included in procurement expenses:		
Wages and salaries	109.1	65.1
Social security costs	12.8	6.9
Share-based payment expense	4.9	3.4
Pension expense	1.1	0.8
Included in fulfilment expenses:		
Wages and salaries	584.3	621.6
Social security costs	75.8	77.2
Share-based payment expense	25.4	22.9
Pension expense	8.1	6.7
Other personnel expenses	2.6	2.1
Included in marketing expenses:		
Wages and salaries	88.0	77.7
Social security costs	9.7	8.7
Share-based payment expense	11.3	9.6
Pension expense	1.7	1.4
Other personnel expenses	0.2	0.1
Included in general and administrative expenses:		
Wages and salaries	155.5	152.8
Social security costs	23.8	20.0
Share-based payment expense	40.4	19.6
Pension expense	3.3	2.8
Other personnel expenses	3.4	1.8
Total employee benefit expenses	**1,161.4**	**1,101.2**

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21. Number of Employees

The number of employees is calculated based on the yearly average headcount.

	2023	2022 [1]
Australia	1,961	2,038
Belgium	153	120
Canada	813	723
Denmark	123	100
France	181	62
Germany	3,203	2,823
Italy	38	30
Ireland	21	13
Japan	—	31
Netherlands	726	717
New Zealand	47	46
Norway	4	3
Philippines	1,092	801
Spain	31	18
Sweden	119	11
Switzerland	—	2
United Kingdom	1,796	2,107
United States	8,704	10,277
Total	**19,012**	**19,922**

1 In 2023 the Group updated its disclosure with number of employees from number of FTEs to number of headcount. The comparative information was updated accordingly. The effect of this change was an increase in number of employees for 2022.

22. Finance income and expense

Finance and interest income for the year is as follows:

in MEUR	2023	2022
Interest income	7.6	3.0
Foreign currency exchange gain	6.0	20.5
Total	**13.7**	**23.5**

Finance and interest expense for the year is as follows:

in MEUR	2023	2022
Interest expense	(35.3)	(27.6)
Foreign currency exchange loss	(17.5)	(11.1)
Other finance expenses	—	(2.1)
Total	**(52.8)**	**(40.8)**

Presented in interest expenses are interest expenses on lease liabilities of MEUR 26.9 (2022: MEUR 14.2).

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23. Income Taxes

Income tax expense recorded in profit or loss is comprised as follows:

in MEUR	2023	2022
Current tax expense	(40.4)	(83.2)
thereof current period	(40.7)	(89.6)
thereof previous periods	0.3	6.4
Deferred tax (expense)/income	(14.8)	8.3
Origination and reversal of temporary differences	(16.2)	7.9
Recognition of previously unrecognized tax losses	1.4	0.4
Income tax expense	**(55.2)**	**(74.9)**

The income tax expense can be reconciled to the accounting profit (loss) as follows:

in MEUR	2023	2022
Profit before income tax	73.3	200.0
Tax using the tax rate applicable for HelloFresh headquarter	(22.1)	(60.4)
Tax effects of non-deductible expenses	(17.4)	(5.9)
Current tax benefit arising from previously unrecognized tax losses of a prior period used to reduce current tax expense	1.4	0.4
Current year losses for which no deferred tax asset is recognized	(8.9)	(21.2)
Recognition of previously unrecognized deferred tax assets	0.1	—
Prior year current and deferred taxes	(1.2)	15.7
Tax effects on other tax rates	5.3	3.2
Tax effects on other tax base	(12.3)	(5.8)
Tax effects from outside basis differences	0.3	(0.8)
Other	(0.4)	(0.1)
Income tax expense for the year	**(55.2)**	**(74.9)**
Effective tax rate	**75.3%**	**37.5 %**

HelloFresh uses the tax rate applicable in Germany (headquarter of HelloFresh) to calculate the expected tax expense. The applicable tax rate in Germany consists of corporate income tax, solidarity surcharge and trade tax and amounts to 30.18 % in 2023 (previous year 30.18 %). For non-German companies, deferred and current taxes were calculated using the respective state tax rate which differ from 12.5 % to 30.0 %.

Deferred taxes

As of 31 December 2023, deferred tax assets amounted to MEUR 197.6 (2022: MEUR 220.2) and deferred tax liabilities amounted to MEUR 166.2 (2022: MEUR 172.9). The deferred taxes were mainly related to unused tax loss carry forwards and temporary differences. Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable or deferred tax liabilities are recognized.

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The movements of deferred taxes are as follows:

in MEUR	As of Jan 1, 2023	Recognized in P&L	Recognized in OCI	As of Dec 31, 2023	Deferred tax assets	Deferred tax liabilities
Intangible assets	(8.6)	(12.9)	—	(21.6)	2.5	24.1
Property, plant, equipment and right of use assets	(53.4)	(80.1)	2.6	(131.0)	2.7	133.7
Other assets	(10.0)	17.9	(0.4)	7.6	9.0	1.4
Provisions	17.5	(12.5)	(0.2)	4.8	4.8	—
Other liabilities (including lease liabilities)	77.5	80.1	(3.0)	154.6	161.2	6.5
Outside basis differences	(0.8)	0.3	—	(0.5)	—	0.5
Tax loss carryforwards	25.1	(12.0)	—	13.1	13.1	—
Tax credits	—	4.3	—	4.3	4.3	—
Tax assets (liabilities) before set-off	**47.3**	**(14.9)**	**(1.0)**	**31.3**	**197.6**	**166.2**
Set-off of tax	—	—	—	—	(153.3)	(153.3)
Tax assets (liabilities)	**47.3**	**(14.9)**	**(1.0)**	**31.3**	**44.3**	**12.9**

in MEUR	As of Jan 1, 2022	Recognized in P&L	Recognized in OCI	As of Dec 31, 2022	Deferred tax assets	Deferred tax liabilities
Intangible assets	(15.4)	7.2	(0.4)	(8.6)	43.4	52.0
Property, plant, equipment and right of use assets	32.9	(83.8)	(2.5)	(53.4)	3.0	56.5
Other assets	(2.0)	(7.5)	(0.5)	(10.0)	44.1	54.0
Provisions	20.4	(3.7)	0.8	17.5	21.3	3.8
Other liabilities (including lease liabilities)	(26.8)	100.6	3.7	77.5	83.3	5.8
Outside basis differences	—	(0.8)	—	(0.8)	—	0.8
Tax loss carryforwards	27.6	(3.7)	1.2	25.1	25.1	—
Tax assets (liabilities) before set-off	**36.7**	**8.3**	**2.3**	**47.3**	**220.2**	**172.9**
Set-off of tax	—	—	—	—	(168.7)	(168.7)
Total assets (liabilities)	**36.7**	**8.3**	**2.3**	**47.3**	**51.5**	**4.2**

Deferred taxes of MEUR (1.0) (2022: MEUR 2.3) were attributable to foreign exchange effects and were recognized in other comprehensive income. No deferred taxes were recognized directly against equity.

On temporary differences amounting to MEUR (1.0) (2022: MEUR 2.3) no deferred tax assets have been recognized.

Tax loss carry-forwards

As of 31 December 2023, the Group companies have tax loss carry forwards of MEUR 291.8 (2022: MEUR 279.3).

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The allowable time periods and amounts for the recovery of tax losses are disclosed below:

in MEUR		31-Dec-23	31-Dec-22
Sweden	Unlimited	4.9	5.9
United States	Unlimited from 2018 onwards [1]	8.0	44.3
United Kingdom	Unlimited	127.0	88.1
Canada	20 years	23.9	42.6
Switzerland	7 years	6.6	7.6
France	Unlimited	38.7	30.2
Australia	Unlimited	35.9	29.9
Norway	Unlimited	13.1	13.3
Italy	Unlimited	21.7	14.1
Ireland	Unlimited	5.5	1.8
Spain	Unlimited	6.5	1.5
Total tax losses		**291.8**	**279.3**

[1] Losses accumulated prior to 2018 are still subject to a 20 year carry forward limitation. In general, US losses are subject to expiration and/or limitation in accordance with applicable federal and state law.

For tax loss carryforwards of MEUR 212.4 (2022: MEUR 186.4) no deferred tax assets were recognized due to tax loss history in single entities. These tax loss carryforwards are not limited in time and can be carried forward indefinitely.

Outside basis differences

Outside basis differences result from differences between the equity of a consolidated entity and its tax base at the level of its shareholder. The realization of this differences, e.g. by dividend distribution or sale may result in additional tax expenses at the level of the shareholder.

The Group controls the reversal of temporary differences related to taxes chargeable on dividends from subsidiaries or on gains upon their disposal ("outside basis differences"). For temporary differences of MEUR 22.9 (2022: MEUR 15.5) no deferred tax liability was recognized.

Global minimum top-up tax

The Group operates in the following countries, which have enacted new legislation to implement the global minimum top-up tax: Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Sweden, Switzerland and United Kingdom.

However, since the newly enacted tax legislation in these countries is only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023.

If the global minimum top-up tax legislation has applied in 2023, then no profits relating to the Group's operations in all relevant jurisdictions for the year ended 31 December 2023 would be subject to any top-up taxes.

Temporary mandatory relief

In case global minimum top-up tax were triggered, the Group would apply a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and account for for it as a current tax when it is incurred.

Transitional CbCR Safe Harbour

The Group has applied the Transitional CbCR Safe Harbour regulations and calculations, and determined that all material Constituent Entities qualify for the Transitional CbCR Safe Harbour status via the de-minimis, simplified ETR or Routine Profits test.

Three non-qualifying Constituent Entities are Kommanditgesellschaft ("KG") Entities in Germany which need to be qualified as Stateless Constituent Entities due to its transparent nature. Stateless Constituent Entities do not qualify for Transitional CbCR Safe Harbour status, however all results from these KGs are taxed at the level of HelloFresh SE.

The Group operates in jurisdictions with a statutory rate above the Global minimum tax rate of 15 %, with the exception of two jurisdictions. The Group has an operating subsidiary in Ireland, where the statutory rate is 12,5 %, and a subsidiary in the Philippines, which receives government support ("Board of Investments") through tax concessions that

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reduce its effective tax rate below 15 %. However, the Irish and Philippine subsidiaries both qualify for the Transitional CbCR Safe Harbour status through the Routine Profits test.

The Management Board is closely monitoring the progress of the legislative process in each country in which the Group operates. As at 31 December 2023, the Group estimates that the impact in 2024 and 2025 will be immaterial.

24. Earnings per Share

The Group reports basic and diluted earnings per share (EPS).

Basic earnings per share is calculated as follows:

	2023	2022
Net income for the period attributable to the shareholders of HelloFresh SE (in MEUR)	19.4	125.1
Basic weighted average number of shares (in millions)	172.0	171.7
Basic earnings per share in EUR	**0.11**	**0.73**

Diluted earnings per share is calculated as follows:

	2023	2022
Net income for the period attributable to the shareholders of HelloFresh SE (in MEUR)	19.4	125.1
Post-tax interest component on convertible bonds (in MEUR)	—	4.9
Revaluation of the cash-settled IFRS 2 liability (in MEUR)	(1.8)	(17.0)
Net diluted income for the period attributable to the shareholders of HelloFresh SE (in MEUR)	**17.6**	**113.0**
Weighted average number of ordinary shares	172.0	171.7
Dilution from share based compensation	4.1	4.1
Dilution from convertible bonds	—	3.4
Weighted average number of diluted shares (in millions)	**176.1**	**179.2**
Diluted earnings per share in EUR	**0.10**	**0.63**

The basic earnings per share are determined by dividing the net income for the period attributable to the shareholders of HelloFresh SE by the basic weighted average number of shares.

The diluted earnings per share are determined by adding the post-tax interest component on convertible bonds and the post-tax revaluation effect of the cash-settled IFRS 2 liability to the net income for the period attributable to the shareholders and dividing them by diluted weighted average number of shares. The dilutive effect stems from outstanding stock options attributable to VSOP and RSUP programs, and the Group's convertible bond.

25. Capital Management

HelloFresh's objective is to maintain a strong capital structure and liquidity position. As such, the Group aims to not exceed a modest maximum leverage of 1.75 times net financial debt to AEBITDA. This has been achieved for the year ended as of 31 December 2023, and the previous year.

As of 31 December 2023 the Group held cash and cash equivalents of MEUR 433.1 (2022: MEUR 504.0), financial interest bearing debt of MEUR 163.8 (2022: MEUR 160.8), and financial lease liabilities of MEUR 550.3 (2022: MEUR 505.4). During 2023 and any of the previous years, the Group has not paid dividends to its shareholders, and instead continues to strengthen its equity position. The equity increased to MEUR 1,019.0 in 2023 (2022: MEUR 959.6) mainly due to the result of the year, and an increased in other reserves from the equity-settled share-based compensation revaluation which is partially offset by the share buy-back program in which HelloFresh bought back 1.8 million numbers of shares (MEUR: 30.2) and 2.2 million number of shares (MEUR 125.0) in 2023 and 2022, respectively.

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The equity ratio and equity to capital employed ratio, which are key indicators for the Group's capital management, are presented below:

in MEUR	31 December 23	31 December 22
Total equity	1,019.0	959.6
Total liabilities	1,562.3	1,575.6
Total equity and liabilities	2,581.3	2,535.2
Equity ratio (in %)	**39.5%**	**37.9 %**

in MEUR	31 December 23	31 December 22
Total equity	1,019.0	959.6
Capital employed:		
Non-current assets [1]	1,689.5	1,550.7
Operating working capital [2]	(401.6)	(356.0)
Equity to capital employed ratio (in %)	**79.1 %**	**80.3 %**

1 It includes Property, plant and equipment, Intangibles and Goodwill.
2 During the year 2023 the Group has changed its indicator relating to working capital from net working capital to operating working capital. Comparative information was not adjusted due to immaterial effect of the change

26. Balances and Transactions with Related Parties

HelloFresh identified related parties in accordance with IAS 24. Parties are considered to be related if they are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In addition, a related party is the key management personnel, including any of their immediate family members and any entity owned or controlled by such persons.

All transactions were carried out in accordance with the arm's length principle.

Key management personnel

In 2023 the members of the Management Board of HelloFresh SE received cash compensation of MEUR 1.6 (2022: MEUR 1.6). The fair value of share-based compensation amounted to MEUR 8.1 for 840,708 virtual options under the virtual stock option program 2019 of HelloFresh SE (VSOP 2019) (2022: MEUR 8.2 for 371,732 virtual options) and to MEUR 2.7 for 118,972 restricted stock units (2022: MEUR 2.7 for 48,759 restricted stock units) under the restricted stock unit program 2019 of HelloFresh SE (RSUP 2019), granted in the fiscal year 2023. Therefore, in the fiscal year 2023, compensation and benefits, attributable to members of the Managing Board amounted to MEUR 12.4 (2022: MEUR 12.5) in total. In fiscal year 2023, expense related to share-based compensation amounted to MEUR 12.2 (2022: MEUR 10.5). Compensation attributable to members of the Supervisory Board comprised base compensation and additional compensation for committee work and amounted to MEUR 0.8 in fiscal year 2023 (2022: MEUR 0.8). For further information please refer to the 2023 Compensation report published separately.

Total compensation of the other key management personnel for 2023 amounted to MEUR 8.0 (2022: MEUR 6.1). This compensation is represented by cash compensation of MEUR 2.8 (2022: MEUR 1.9) and share-based payments recognized as an expense of MEUR 5.2 (2022: MEUR 4.2).

The Group did not have any additional transactions with the Management Board or Supervisory Board or other key management personnel during the year apart from fixed compensation and share based compensation as mentioned above.

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27. Contingencies and Commitments

Financial commitments

The Group has other financial commitments from service agreements with third party suppliers as at 31 December 2023 which are mainly related to lease contracts for office rent and fleet of MEUR 11.5 (2022: MEUR 40.6) and CAPEX commitments of MEUR 39.3 (2022: MEUR 97.2). The majority of the CAPEX commitments relate to planned CAPEX investments in the UK, Benelux, Germany and the US in the fulfilment centers opened during the year.

Litigation and other legal risks

The Group is engaged in various lawsuits resulting from the normal course of business. Apart from the cases that were provided in these consolidated financial statements, outflows of future economic benefits resulting from the legal proceedings is not probable.

The Group is also involved in certain legal matters with authorities that are considered contingent liabilities for which a loss is not yet estimable, that could potentially result in a loss when those matters are ultimately resolved. The Group continues to monitor these matters and update its estimates as new information is learned.

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28. Principal Subsidiaries

The Company held shares in the following subsidiaries as of 31 December 2023:

S.No	Entities	Country	Currency	Shareholding	held via no.
	National (Germany)				
1	HelloFresh Deutschland Management GmbH, Berlin	DE	EUR	100.00 %	
2	HelloFresh Deutschland SE & Co. KG, Berlin*	DE	EUR	100.00 %	
3	HelloFresh Deutschland Produktions SE & Co. KG., Berlin*	DE	EUR	100.00 %	
4	Factor 75 Produktions B.V. & Co. KG., Berlin	DE	EUR	100.00 %	22
	Rest of Europe				
5	HelloFresh Suisse AG, Kölliken	CH	CHF	100.00 %	
6	HelloFresh Benelux B.V., Amsterdam	NL	EUR	100.00 %	
7	Cool Delivery B.V., Amsterdam	NL	EUR	100.00 %	6
8	Cool Delivery Belgium B.V., Antwerp	NL	EUR	100.00 %	6
9	HelloFresh Operations Benelux BV, Amsterdam	NL	EUR	100.00 %	6
10	Grocery Delivery E-Services UK Ltd., London	UK	GBP	100.00 %	
11	HelloFresh Nordics ApS, Copenhagen	DK	DKK	97.91 %	
12	HelloFresh Norway AS, Moss	NO	NOK	100.00 %	11
13	HelloFresh Sweden AB, Bjuv	SE	SEK	100.00 %	11
14	Fresh Fulfillment AB, Bjuv	SE	SEK	100.00 %	13
15	HelloFresh France SAS, Neuilly-sur-Seine	FR	EUR	97.70 %	
16	HelloFresh France Livraison SASU, Paris	FR	EUR	100.00 %	15
17	HelloFresh France Preparation SASU, Paris	FR	EUR	100.00 %	15
18	HelloFresh Italy S.r.l., Milan	IT	EUR	98.25 %	
19	Fresh Grocery Delivery Services Limited, Dublin	IR	EUR	97.00 %	
20	Green Chef Espana, S.L.U., Madrid	SP	EUR	96.47 %	
21	Factor 75 B.V., Amsterdam	NL	EUR	100.00 %	
22	Factor 75 Management B.V., Amsterdam	NL	EUR	100.00 %	21
	North America				
23	Grocery Delivery E-Services USA Inc., New York	US	USD	100.00 %	
24	Green Chef Corp., Wilmington	US	USD	100.00 %	23
25	Online Meat & Sea Food Inc., New York	US	USD	94.97 %	23
26	Grocery Delivery Logistics Inc., New York	US	USD	100.00 %	23
27	Pet Nutrition Delivery Inc., New York	US	USD	100.00 %	23
28	Factor75 Inc., Burr Ridge	US	USD	100.00 %	23
29	Factor75 LLC, Burr Ridge	US	USD	100.00 %	28
30	Savor Solutions GDES Inc., Lewis Center City	US	USD	100.00 %	23
31	HelloFresh Canada Inc., Toronto	CA	CAD	99.49 %	
	Rest of the world				
32	Grocery Delivery E-Services Australia Pty Ltd., Sydney	AU	AUD	100.00 %	
33	HelloFresh New Zealand Limited, Auckland	NZ	NZD	98.98 %	
34	BeCool Refrigerated Couriers Group Pty Ltd, Chippendale	AU	AUD	100.00 %	
35	HelloConnect Inc., Manila	PH	PHP	100.00 %	
36	Cook E Services Australia Pty Ltd., Brisbane	AU	AUD	100.00 %	
37	YouFoodz Holdings Ltd., Brisbane	AU	AUD	100.00 %	36
38	YouFoodz Pty Ltd., Brisbane	AU	AUD	100.00 %	37
39	IDK Pty Ltd., Brisbane	AU	AUD	100.00 %	37
40	Fresh Four Pty Ltd., Brisbane	AU	AUD	100.00 %	37
41	YouJuice Pty Ltd., Brisbane	AU	AUD	100.00 %	37
42	YouFoodz IP Pty Ltd., Brisbane	AU	AUD	100.00 %	37

* Including the limited partnership interests held in trust, the Company holds 100% of the shares in HelloFresh Deutschland SE & Co. KG, Berlin, as well as HelloFresh Deutschland Produktions SE & Co. KG, Berlin.

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The following changes in the Group structure occurred during the year ended as of 31 December 2023:

- foundation of the subsidiaries of Factor 75 B.V. (Amsterdam);
- foundation of Fresh Fulfillment AB (Bjuv),
- foundation of Savor Solutions GDES Inc. (Lewis Center City), and
- lose of control over HelloFresh Japan G.K. (Tokyo) following the bankruptcy court

The Group holds 100% of the voting rights in the subsidiaries except for HelloFresh France SAS and HelloFresh Italia S.r.l. where the Group proportions of the voting rights are the same as the ownership interests presented in the table.

In 2023 the loss attributable to non-controlling interest amounts to MEUR 1.3 (2022: MEUR 1.9). There were no dividends paid to non-controlling interests during the year ended 2023.

The subsidiary HelloFresh Benelux B.V. is taking advantage of the exception from audit in accordance with Book 2, Section 403 of the Dutch Civil Code.

The subsidiary Fresh Grocery Delivery Services Limited included in these consolidated financial statements has availed of the exemption from filing its individual financial statements with the Registrar of Companies as permitted by Section 357 of the Companies Act 2014 on the basis that it has satisfied the conditions as laid out in section 357(a) to 357(h).

The subsidiaries HelloFresh Deutschland SE & Co. KG and HelloFresh Deutschland Produktions SE & Co. KG are taking advantage of the exemption from the preparation of stand-alone financial statements, and related audit in accordance with Sec. 264b of the German Commercial Code. The subsidiary HelloFresh Deutschland Management GmbH is taking advantage of such exemption in accordance with Sec. 264 of the German Commercial Code.

29. Closed Group Disclosure

The closed group disclosure contains the consolidated financial statements of HelloFresh SE, Berlin and the following subsidiaries (the closed Group):

Name	Country of Incorporation	% of Equity interest
Grocery Delivery E-Services Australia Pty Ltd.	Australia	100
Grocery Delivery E-Services UK Ltd.	United Kingdom	100
BeCool Refrigerated Couriers Group Pty Ltd.	Australia	100
Cook E Services Australia Pty Ltd.	Australia	100
YouFoodz Holdings Ltd.	Australia	100
YouFoodz Pty Ltd.	Australia	100
IDK Pty Ltd.	Australia	100
Fresh Four Pty Ltd.	Australia	100
YouJuice Pty Ltd.	Australia	100
YouFoodz IP Pty Ltd.	Australia	100

Entities subject to relief

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (Instrument) relieves a company of a specified class that is wholly-owned by an Australian company, a disclosing entity which is an Australian body corporate, or a registered foreign holding company, of the necessity to prepare a financial report and directors' report where the requirements of the Instrument have been met. One of these requirements is that the holding entity and the subsidiaries have become parties to a deed of cross guarantee under which each of the entities guarantees the debts of the others.

HelloFresh SE, Grocery Delivery E-Services Australia Pty Ltd, BeCool Refrigerated Couriers Group Pty Ltd, Grocery Delivery E-Services UK Ltd, Cook E Services Australia Pty Ltd, YouFoodz Holdings Ltd, YouFoodz Pty Ltd, IDK Pty Ltd, Fresh Four Pty Ltd, YouJuice Pty Ltd, YouFoodz IP Pty Ltd are party to a deed of cross guarantee and are all members of the closed Group. There are no other members of the extended closed Group included in these consolidated financial statements of this subgroup. All parties to the deed of cross guarantee which are controlled by HelloFresh SE (as the holding entity) are part of this report.

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There have been no parties added by an assumption deed, removed by a revocation deed and no parties the subject of a notice of disposal for the financial year ended 31 December 2023. There are no entities of this subgroup which obtained relief at the end of the preceding financial year, but which are ineligible for relief in respect of this financial year.

As all parties to the deed of cross guarantee are consolidated in these financial statements as such there is no requirement to include any further provision in relation to any liabilities which are not consolidated.

The consolidated statement of profit or loss, consolidated statement of comprehensive income or loss and consolidated statement of financial position of the entities that are members of the closed Group are as follows:

Consolidated statement of profit or loss

In MEUR	2023
Revenue	1,488.3
Procurement expenses	(457.5)
Fulfilment expenses	(367.1)
Marketing expenses	(388.5)
General and administrative expenses	(281.5)
Other operating income	6.0
Other operating expenses	(10.8)
Impairment losses on trade receivables	(3.8)
Operating (Loss) / Profit	**(14.8)**
Interest income	21.1
Interest expense	(21.6)
Other finance income	53.2
Other finance expense	(6.8)
Profit (loss) before income tax benefit (expense)	**31.0**
Income tax expense	(13.9)
Profit for the year	**17.1**
Other comprehensive income (loss):	
Items that will be subsequently reclassified to profit or loss when specific conditions are met	
Exchange differences on translation to presentation currency, net of tax	(3.9)
Fair value remeasurement of financial instruments, net of tax	1.0
Other comprehensive income (loss) for the year	**(2.9)**
Total comprehensive income for the year	**14.2**

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Consolidated statement of financial position

In MEUR	31 December 2023
Assets	
Non-current assets	
Property, plant and equipment	309.3
Intangible assets	92.5
Goodwill	48.5
Other financial assets	667.5
Other non-financial assets	0.7
Deferred income tax assets	11.4
Total non-current assets	**1,129.9**
Current assets	
Inventories	21.1
Trade receivables	59.2
Other financial assets	9.3
Other non-financial assets	66.6
Cash and cash equivalents	233.8
Total current assets	**389.9**
Total assets	**1,519.8**
Equity and Liabilities	
Equity	
Share capital	173.2
Treasury shares	(31.5)
Capital reserves	402.3
Other reserves	98.8
Accumulated gains (losses)	249.4
Other comprehensive income (loss)	(2.9)
Equity attributable to the Company's shareholders	**889.3**
Non-controlling interests	—
Total equity	**889.3**
Non-current liabilities	
Other financial liabilities	189.5
Deferred income tax liability	11.7
Long term debt	163.7
Other non-financial liabilities	6.3
Total non-current liabilities	**371.2**
Current liabilities	
Trade payables (incl. Capex payables)	205.9
Other financial liabilities	25.6
Provisions	1.0
Deferred revenue	8.3
Other non-financial liabilities	18.5
Total current liabilities	**259.3**
Total equity and liabilities	**1,519.8**

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30. Auditor's Fees

Principal auditor's fees recognized as an expense in the reporting period, are detailed in the table below:

in MEUR	31-Dec-23	31-Dec-22
Audit fees	2.3	1.8
thereof audit fee to affiliated companies of the auditor	1.3	0.9
Other assurance services	0.2	0.2
Tax advisory fees	—	—
Other services	—	—
Total	**2.5**	**2.0**

31. Corporate Governance Declaration

The Declaration of Conformity with the German Corporate Governance Code by the Management Board and the Supervisory Board in accordance with Sec. 161 German Stock corporation Act ("AktG") is published on the Company's website:

https://ir.hellofreshgroup.com/websites/hellofresh/English/4000/corporate-governance.html

32. Events after the Reporting Period

Subsequent to the reporting period end the Group continued share buy back program and till 8 March 2024 bought shares for the amount of MEUR 23.5.

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

Berlin, 14 March 2024

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Executive Officer International

Christian Gaertner
Chief Financial Officer

Edward Boyes
Chief Commercial Officer

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D Further Information

Responsibility Statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the financial position, cash flows and profit or loss of the Group, and the Group management report, which has been combined with the management report for HelloFresh SE, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group. Also, there are reasonable grounds to believe that the members of the cross guarantee (Grocery Delivery E-Services Australia Pty Ltd., Australia, Grocery Delivery E-Services UK Ltd., United Kingdom, BeCool Refrigerated Couriers Group Pty Ltd., Australia, Cook E-Services Australia Pty Ltd., Australia, YouFoodz Holdings Pty Ltd., Australia, YouFoodz Pty Ltd., Australia, IDK Pty Ltd., Australia, Fresh Four Pty Ltd., Australia, YouJuice Pty Ltd., Australia and YouFoods IP Pty Ltd., Australia) will be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

Berlin, 14 March 2024

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Executive Officer International

Christian Gaertner
Chief Financial Officer

Edward Boyes
Chief Commercial Officer

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Independent Auditor's Report

To HelloFresh SE, Berlin

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of HelloFresh, Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of HelloFresh for the financial year from 1 January to 31 December 2023.

In accordance with German legal requirements, we have not audited the content of those components of the management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December, 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recognition of revenue

Please refer to sections 3 and 6 in the notes to the consolidated financial statements and to sections 4.1 and 4.4 of the combined management report for information on the accounting policies applied.

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THE FINANCIAL STATEMENT RISK

The Group's revenues amount to EUR 7,597 million in financial year 2023. Revenues are generated from the sale of food ingredients along with corresponding recipes ("meal kits") and ready-to-eat meals as well as add-on products and surcharge products.

HelloFresh recognizes revenue when the control over meal kits and ready-to-eat meals, taking into consideration any sales deductions, has passed to the customer. The key markets for the Group are North America, Europe and Australia. For the deliveries, the group companies enter into various agreements with the customer on the terms and conditions of delivery and payment and also grant a variety of discounts.

Due to their design, the various sales deductions resulting from promotional allowances, discounts and customer loyalty programs, as well as reimbursement programs, are complex and may have to be reported at different times in the course of revenue recognition in accordance with IFRS 15.

Owing to the various sales deductions and necessary deferrals concerning advance payments received from customers, there is a risk for the financial statements that revenue is not recognized in the correct amount or not presented in the correct period.

OUR AUDIT APPROACH

To audit whether revenue recognition is appropriate, we assessed the design and implementation of the internal controls regarding the appropriate allocation of user authorizations and the appropriate configuration of the relevant IT systems, the granting of sales deductions, external proof of delivery and the recognition of revenue in the correct period as well as the accrual of advance payments. Based on the resulting findings, we tested the effectiveness of the controls.

We fully reconciled the revenue of financial year 2023 for the direct to consumer revenue in our audit with the corresponding totals of incoming payments for the financial year. In the course of representative sampling using a mathematical and statistical sampling method, we evaluated whether external proof of delivery existed for the revenue posted for the financial year. Based on the revenue generated on a weekly basis and taking sales deductions into consideration, we also calculated an expected value for the selling and distribution expenses for the individual months of the financial year and analyzed deviations from the amount of the reported costs.

In addition, for a defined period before and after the reporting date, we used a mathematical and statistical method to examine selected revenue postings using the delivery confirmation and the receipt of payment and satisfied ourselves that the revenue was recognized on an accrual basis.

Owing to the complexity of the rules governing sales deductions for promotional allowances, rebates and discounts for customer loyalty programs and other reimbursements, we assessed the impacts of these rules on revenue recognition in accordance with IFRS 15 as a focus area of our audit. To this end, we assessed the requirements of the group-wide accounting policy with respect to compliance with IFRS 15. Using the individual contractual components of promotional discounts, rebates and deductions for customer loyalty programs and reimbursements as a basis, we evaluated whether the accounting policy was properly implemented.

In addition, we reviewed selected manual entries of revenue. In doing so, we also checked whether the users have the correct access rights to make such postings.

OUR OBSERVATIONS

The approach adopted by HelloFresh for revenue recognition and revenue cut-off is appropriate.

Other Information

Management is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- The combined non-financial report, referred to in the combined management report,
- The corporate governance statement, referred to in the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information includes also the remaining parts of the annual report. The other Information does not include the consolidated financial statements, the combined management report extraneous to management reports and our auditor's report thereon.

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Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a

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material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file „hel-2023-12-31-de.zip" (SHA256-Hashwert: 2345ecb414a968a823d3cb67ceede8d7cc5004750b106537dc9b308ea4db0f32) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to

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the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the annual general meeting on 12 May 2023. We were engaged by the audit committee on 14 November 2023. We are the group auditor of HelloFresh since financial year 2019.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

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In addition to the financial statement audit, we have provided to the Company or its subsidiaries the following services that are not disclosed in the consolidated financial statements or in the combined management report:

We have audited the remuneration report of HelloFresh SE prepared to comply with Section 162 of the German Stock Corporation Act (AktG). In addition, we performed a review of interim financial statements and a limited assurance review of the condensed separate non-financial report.

Other matter – Use of the Auditor's Report

Our auditor´s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the examined ESEF documents. The consolidated financial statements and group management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister]– are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

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German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Patrick Waubke.

Berlin, 14 March 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

[signed] Waubke
Wirtschaftsprüfer
[German Public Auditor]

[signed] Marschner
Wirtschaftsprüferin
[German Public Auditor]

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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 („AEBIT") as EBIT before share-based compensation expenses, special items, and on segment level, holding fees.

Adjusted EBITDA

We define adjusted EBITDA („AEBITDA") as EBITDA before share-based compensation expenses, special items, and on segment level, holding fees.

Average Order Value

Average order value („AOV") 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, amortization of intangible assets and impairment losses / reversal of impairment losses on property, plant and equipment and 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).

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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 HelloFresh SE (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 income and expenses that HelloFresh does not consider to be of a regularly recurring nature. These include but are not limited to items such as expenses in connection with M&A-transactions, costs related to reorganizations and restructurings, certain legal costs and prior period related effects.

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Financial Calendar

Publication of Quarterly Financial Statements (Q1 2024) and Earnings Call	25 April 2024
General Shareholders' Meeting	2 May 2024
Publication of Half-Year Financial Statements (Half-Year 2024) and Earnings Call	13 August 2024
Publication of Quarterly Financial Statements (Q3 2024) and Earnings Call	29 October 2024

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Imprint

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