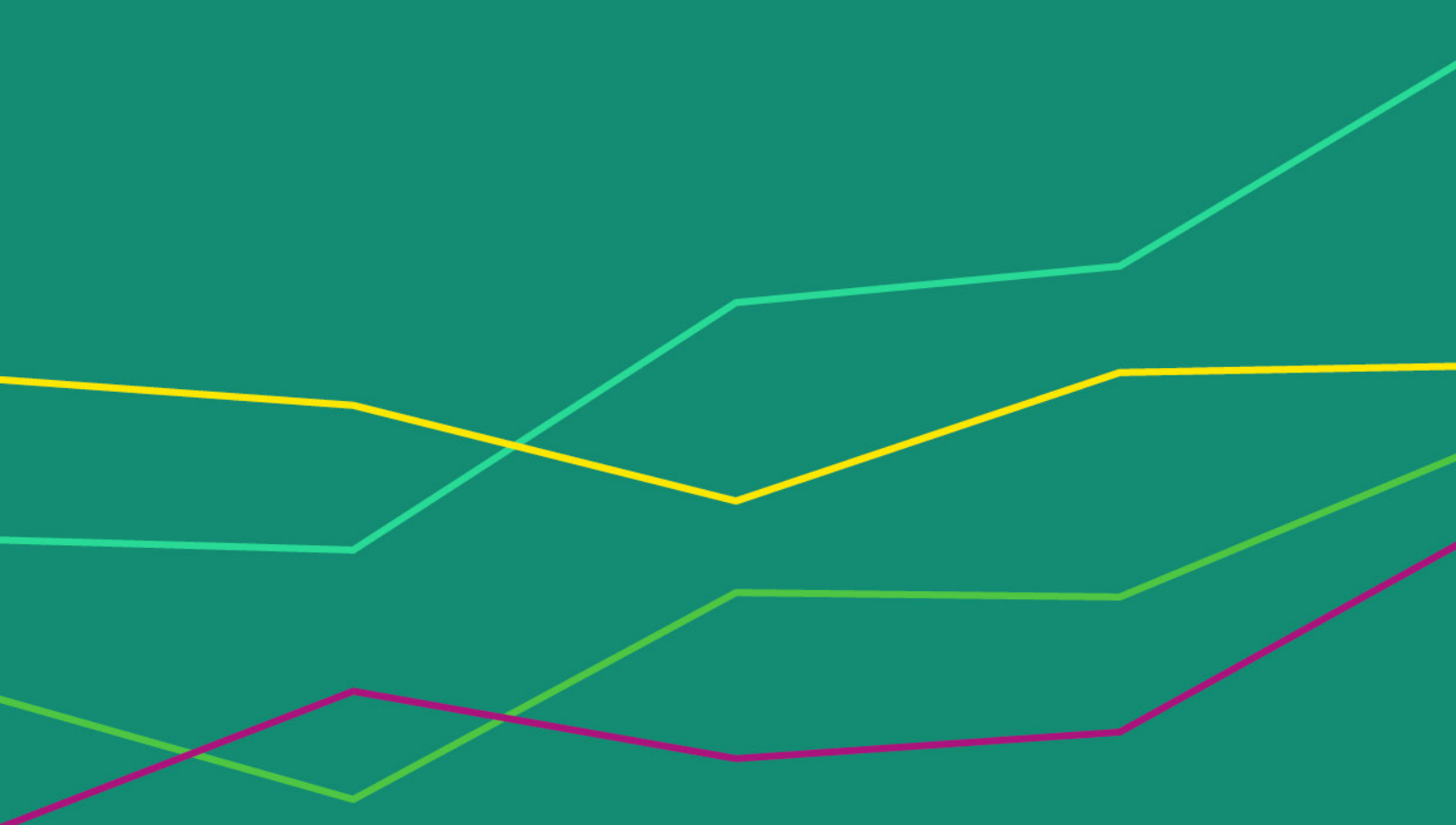


HELLOFRESH
GROUP

Half-Year Report 2024



HelloFresh at a Glance

Key figures	3 months ended 30-Jun-24	3 months ended 30-Jun-23	YoY change	6 months ended 30-Jun-24	6 months ended 30-Jun-23	YoY change
Group						
Number of orders (in millions)	28.91	30.00	(3.6 %)	60.89	62.82	(3.1 %)
Meals (in millions)	243.8	253.6	(3.9 %)	513.6	532.1	(3.5 %)
Average order value (EUR) (excl. retail)	67.1	63.6	5.6 %	65.8	62.4	5.4 %
Average order value constant currency (EUR) (excl. retail)	66.6	63.6	4.7 %	65.9	62.4	5.5 %
North America						
Number of orders (in millions)	16.35	17.09	(4.3 %)	34.82	36.00	(3.3 %)
Meals (in millions)	129.4	136.6	(5.3 %)	276.7	289.2	(4.4 %)
Average order value (EUR) (excl. retail)	78.8	74.0	6.5 %	76.7	72.2	6.2 %
Average order value constant currency (EUR) (excl. retail)	78.0	74.0	5.4 %	76.8	72.2	6.3 %
International						
Number of orders (in millions)	12.56	12.91	(2.7 %)	26.08	26.81	(2.7 %)
Meals (in millions)	114.5	117.0	(2.2 %)	237.0	242.9	(2.4 %)
Average order value (EUR) (excl. retail)	51.9	49.9	4.1 %	51.3	49.1	4.4 %
Average order value constant currency (EUR) (excl. retail)	51.8	49.9	3.7 %	51.3	49.1	4.5 %

Key figures	3 months ended 30-Jun-24	3 months ended 30-Jun-23	YoY change	6 months ended 30-Jun-24	6 months ended 30-Jun-23	YoY change
Results of operations						
Group						
Revenue (in MEUR)	1,950.8	1,917.5	1.7 %	4,024.3	3,933.6	2.3 %
Revenue constant currency (in MEUR)	1,935.4	1,917.5	0.9 %	4,028.1	3,933.6	2.4 %
Contribution margin ¹ (in MEUR)	473.8	545.5	(13.1 %)	995.4	1,076.4	(7.5 %)
Contribution margin ¹ (in % of revenue)	24.3 %	28.4 %	(4.2 pp)	24.7 %	27.4 %	(2.6 pp)
Contribution margin ¹ (excl. impairment) (in MEUR)	506.6	551.8	(8.2 %)	1,040.7	1,083.3	(3.9 %)
Contribution margin ¹ (excl. impairment) (in % of revenue)	26.0 %	28.8 %	(2.8 pp)	25.9 %	27.5 %	(1.7 pp)
AEBITDA (in MEUR)	146.4	191.9	(23.7 %)	163.0	258.0	(36.8 %)
AEBITDA (in % of revenue)	7.5 %	10.0 %	(2.5 pp)	4.1 %	6.6 %	(2.5 pp)
AEBIT (excl. impairment) (in MEUR)	84.0	140.5	(40.2 %)	34.0	156.3	(78.3 %)
AEBIT (excl. impairment) (in % of revenue)	4.3 %	7.3 %	(3.0 pp)	0.8 %	4.0 %	(3.1 pp)
North America						
Revenue ² (in MEUR)	1,288.9	1,264.6	1.9 %	2,669.0	2,600.0	2.7 %
Revenue ² constant currency (in MEUR)	1,275.6	1,264.6	0.9 %	2,671.8	2,600.0	2.8 %
Contribution margin ¹ (in MEUR)	328.7	399.4	(17.7 %)	697.4	784.6	(11.1 %)
Contribution margin ¹ (in % of revenue)	25.3 %	31.4 %	(6.1 pp)	25.9 %	30.0 %	(4.1 pp)
Contribution margin ¹ (excl. impairment) (in MEUR)	361.5	401.6	(10.0 %)	742.8	786.8	(5.6 %)
Contribution margin ¹ (excl. impairment) (in % of revenue)	27.8 %	31.5 %	(3.7 pp)	27.6 %	30.1 %	(2.5 pp)
AEBITDA (in MEUR)	132.1	167.2	(21.0 %)	158.4	243.2	(34.9 %)
AEBITDA (in % of revenue)	10.2 %	13.1 %	(3.0 pp)	5.9 %	9.3 %	(3.4 pp)
AEBIT (excl. impairment) (in MEUR)	102.2	144.6	(29.3 %)	97.9	198.6	(50.7 %)
AEBIT (excl. impairment) (in % of revenue)	7.9 %	11.4 %	(3.5 pp)	3.7 %	7.6 %	(4.0 pp)
International						
Revenue ² (in MEUR)	661.9	652.9	1.4 %	1,355.3	1,333.6	1.6 %
Revenue ² constant currency (in MEUR)	659.8	652.9	1.1 %	1,356.3	1,333.6	1.7 %
Contribution margin ¹ (in MEUR)	161.8	161.0	0.5 %	331.1	319.8	3.5 %
Contribution margin ¹ (in % of revenue)	24.1 %	24.4 %	(0.3 pp)	24.1 %	23.8 %	0.3 pp
Contribution margin ¹ (excl. impairment) (in MEUR)	161.8	161.0	0.5 %	331.1	319.8	3.5 %
Contribution margin ¹ (excl. impairment) (in % of revenue)	24.1 %	24.4 %	(0.3 pp)	24.1 %	23.8 %	0.3 pp
AEBITDA (in MEUR)	54.4	59.7	(8.8 %)	83.4	87.7	(4.9 %)
AEBITDA (in % of revenue)	8.1 %	9.1 %	(0.9 pp)	6.1 %	6.5 %	(0.4 pp)
AEBIT (excl. impairment) (in MEUR)	33.2	39.4	(15.8 %)	39.8	48.1	(17.3 %)
AEBIT (excl. impairment) (in % of revenue)	4.9 %	6.0 %	(1.0 pp)	2.9 %	3.6 %	(0.7 pp)

¹ Excluding share-based compensation (SBC) expenses.

² External revenue from contracts with customers.

Key figures	3 months ended 30-Jun-24	3 months ended 30-Jun-23	YoY change	6 months ended 30-Jun-24	6 months ended 30-Jun-23	YoY change
Product Category						
Group						
Revenue ¹ (in MEUR)						
Meal kits	1,408.7	1,553.3	(9.3 %)	2,968.0	3,240.6	(8.4 %)
RTE ²	519.1	353.8	46.7 %	1,014.7	675.5	50.2 %
Others	23.0	10.4	122.1 %	41.6	17.6	137.0 %
Revenue ¹ constant currency (in MEUR)						
Meal kits	1,398.9	1,553.3	(9.9 %)	2,970.2	3,240.6	(8.3 %)
RTE ²	513.7	353.8	45.2 %	1,016.2	675.5	50.4 %
Others	22.8	10.4	119.7 %	41.6	17.6	136.9 %
AEBITDA (in MEUR)						
Meal kits	171.8	199.9	(14.0 %)	251.6	292.0	(13.8 %)
RTE ²	20.6	30.0	(31.3 %)	(0.7)	45.6	(101.6 %)
Others	(5.3)	(3.1)	72.1 %	(9.1)	(6.8)	32.8 %
Holding	(40.7)	(34.9)	16.7 %	(78.8)	(72.3)	9.0 %
AEBITDA (in % of revenue)						
Meal kits	12.2 %	12.9 %	(0.7 pp)	8.5 %	9.0 %	(0.5 pp)
RTE ²	4.0 %	8.5 %	(4.5 pp)	(0.1 %)	6.8 %	(6.8 pp)
Others	(23.2 %)	(29.9 %)	6.7 pp	(21.8 %)	(39.0 %)	17.1 pp
Group Financial Position						
Operating working capital (in MEUR)	(445.4)	(332.4)		(445.4)	(332.4)	
Cash flow from operating activities (in MEUR)	112.3	92.6		146.9	207.3	
Free cash flow (excl. repayment of lease liabilities) (in MEUR)	56.6	20.9		50.9	38.0	
Free cash flow per diluted share (in EUR)	0.34	0.12		0.30	0.21	
Cash and cash equivalents (in MEUR)	381.9	464.5		381.9	464.5	

¹ External revenue from contracts with customers.

² Ready-to-eat.

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A. To our Shareholders

Letter by the Management Board

Dear HelloFresh shareholders,

The first half of 2024 has been a busy period for our teams, who worked hard to rebuild our cash flows and profit generation in order to deliver on our long-standing mission “to change the way people eat, forever”, and ultimately capture the large long-term opportunity in front of us.

Meal kits is a category in transition

Meal kits is our original, largest, and most profitable product category. Its success over the past 12 years has allowed us to generate considerable amounts of free cash flow, which we used to build a state-of-the-art fulfillment network, launch new verticals and pursue a global expansion strategy for both meal kits and ready-to-eat (‘RTE’). However, it has represented the biggest drag on our financial performance in recent times, with both revenue and margins failing to meet our expectations of a couple of years ago.

Whilst high inflation and interest rates have resulted in a more cautious environment for consumer spending as a whole, we believe the biggest contributor to the weaker than expected development of our meal kit business has been the longer term impact of the positive demand shock experienced during the pandemic and the inflationary pressures rampant in its aftermath.

As a membership model with a high share of recurring orders, the demand reset has been more gradual than in transaction-based peer models. With the benefit of hindsight, we acknowledge today that we were too optimistic at extrapolating future new customer volumes from a near pandemic baseline and ultimately struggled to achieve the growth we aimed for. This was also not helped by the fact that after a sustained period of continually lowering prices to consumers and opening the meal kit market to a broad range of households over time, our successful efforts to improve our supply chain efficiency and productivity were not enough to further improve relative affordability versus other alternatives for home cooking.

This in hindsight too optimistic forecasting of our top line resulted in us sustaining a fixed cost base that is too high for the current revenue outlook of this business. Whilst our meal kit business alone is 3x larger than the Group as a whole was in 2019 (pre-pandemic), its current profitability and cash flows remain beneath our long-term target levels. This should not be the case, when considering the underlying size of the customer base and variable cost structure we already see in our business today.

As the meal kit category consolidates around a new market size, we are determined to optimize our cost base and adjust to the new normal. This includes streamlining capacity, re-examining capital expenditure plans, leveraging fulfillment centers with the latest technology and automation capabilities more forcefully and shedding other costs.

At the same time, we will keep innovating on behalf of our customers relentlessly. Over the last decade meal kits have arguably been one of the biggest innovations in home cooking worldwide, with millions of satisfied, retentive long-term customers, consuming 100s of millions of meals per year. With our capital expenditure program nearing the finish line, we will move our focus on delighting customers even more, with a large share of uniquely, customizable meals for everyone and a strong focus on families and their specific needs. This will result in further noticeably reducing preparation time and more than tripling the unique weekly recipe options available to each customer over a 3-year time frame. Moreover, we will work hard to bring parts of our RTE assortment to meal kit customers, making it easy for them to choose the right blend of RTE and meal kit orders from one account.

RTE keeps riding strong growth tailwinds

Unlike meal kits, our RTE product category has surprised on the upside when it comes to demand growth. In less than 4 years since acquiring the then small RTE brand Factor, our RTE product category has grown by nearly 20x. In 2024, our RTE product category will be both larger and more profitable than the entirety of our Group was before the pandemic. While the product category continues to have strong momentum, with growth of > 45% year-on-year in Q2, it has many high conviction growth opportunities still ahead of it: penetrating a still early-stage North American market, internationalization, accessing new customer groups, differentiated price tiers and distribution channels - these are just a few of the exciting opportunities we are actively working on. To this day, Factor remains at significantly lower brand

awareness levels compared to HelloFresh in the US, giving us confidence that there is still ample runway for growth in our business as-is.

Many of our non-American shareholders will not have yet “tasted the difference” of a Factor meal (as a side note: we hope that will not be for long, as Factor’s European expansion is off to a strong start, with more markets planned to go live in 2024 and 2025). Tasting the meals is often what gives our consumers an “aha” moment and turns them into loyal brand advocates. Seeking clean, healthy meals is an almost universal consumer desire, but has historically come with a sacrifice when it comes to convenience or quality (with traditional “microwave meals” having poor nutritional content and flavor). Through a highly proprietary product development & manufacturing process honed over many years, on the basis of millions of customer feedback data points, we have eliminated these trade-offs. As a result the vast majority of customers who become loyal Factor subscribers were not previously frequent users of prepared meals. We expect Factor to continue to bring more health-conscious consumers into the RTE meal product category, and are optimistic that this will be supported in the long-term by an increasing consumer appreciation of the importance of diet & nutrition as adoption of health tracking, weight-loss medication, and dietary supplements expands.

We are confident that the RTE product category will not just be a growth story but also one of margin expansion in the coming years. This will be driven in the near-term by the successful scale-up of our Arizona facility (with productivity improvements on a strong trajectory over Q2, but still trailing the levels we have seen in other facilities) and in the mid-term by the maturing of the customer base & subsequent reduction in marketing spend in % of revenue. Given that per customer unit economics look at least as attractive as meal kits, we expect RTE product category margins to reach at least the level of meal kits. When combined with faster topline growth than meal kits in the coming years, this means our RTE product category should be the largest contributor to absolute profit growth in the mid-term.

A promising long-term opportunity

Since we started in 2011 our mission has remained very clear: we want to change the way people eat forever. Whilst our meal kit and RTE product categories currently see opposing customer trends, two things are universally true. First, there is a clear consumer appetite for new, “digital-first” approaches to meal-times at home. Second, despite attempts of competition from big grocers, well-funded VC startups, e-commerce giants, and traditional FMCG companies over time, we have built a clear and growing market position in each of these multi-billion dollar product categories. This gives us strong conviction in the strength of our organizational culture and capabilities, and the opportunity for HelloFresh Group to play a role in many more attractive FMCG segments over time. Our focus for the next 1 to 2 years will be on efficiency as we aim to meaningfully expand free cash flows and profitability for the Group, but we remain very excited for the long-term opportunity for HelloFresh Group that will be enabled by the successful execution of this period of transition.

Thank you for your continued support.

Berlin, 12 August 2024

Dominik Richter
Chief Executive
Officer

Thomas Griesel
Chief Executive
Officer
International

Christian Gaertner
Chief Financial
Officer

Edward Boyes
Chief Commercial
Officer

B. Interim Group Management Report

of HelloFresh Group as of 30 June 2024

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1 Fundamentals of the Group

The statements made in the Annual Report 2023 regarding the business model, the Group structure, the performance measurement system, and research and development activities in the HelloFresh Group still substantially apply at the time this Interim Report was issued for publication.

2 Economic Position

2.1 General Economic Conditions

During the first half of 2024, the global economy was showing some signs of improvement. While the US economy showed robust growth with inflation slightly above economists' expectations¹, economic growth in Canada was somewhat lower².

The economic situation in the EU showed some mixed signals during the first half 2024. Positive developments included expanding GDP, the fall in inflation and the stable unemployment rate³. Also in the UK GDP rebounded in the first quarter of 2024⁴ while economic growth in Australia slowed down⁵.

Looking forward the International Monetary Fund's (IMF) World Economic Outlook ('WEO') issued July 2024⁶ projects a global growth at 3.2 % in 2024 and 3.3 % in 2025, with the forecasts being 0.1 pp higher than that in the January 2024 WEO⁷. Global inflation is anticipated to continue its decline in advanced economies. The forecast dated July 2024 indicates a slower pace of disinflation in 2024 and 2025 due to more persistent inflation in service prices and higher commodity prices. However, the gradual cooling of labor markets, along with an anticipated decline in energy prices, is expected to bring headline inflation back to target by the end of 2025. Further discussion can be found in [Section 5.1](#) of this Interim Group Management Report.

2.2 Course of Business

In H1 2024 HelloFresh's Group revenue has continued to show moderate growth, increasing its revenue to MEUR 4,024.3, which corresponds to an increase of 2.4 % in comparison with H1 2023 on a constant currency basis. Among other factors, the growth of the Group's revenue was driven by an expansion of its average order value in both geographical segments, as well as continued growth in the ready-to-eat product category of 50.2 % compared to H1 2023. Both these effects more than offset a decline in order volumes in the meal kit product category.

Group contribution margin continued to be impacted in Q2 2024 by temporarily higher production costs within the ready-to-eat product category during the current ramp-up phase as well as the temporary effect of the ramp-up of new meal kits fulfilment centers in Germany and the UK. Given the lower than previously anticipated near-term volume development in its North American meal kit business, the company has decided to reduce its production capacity, which resulted in one-off non-cash impairment charges of MEUR 44.7 in H1 2024, of which MEUR 32.2 were taken in Q2. This was partly offset by efficiencies in other fulfilment cost lines, such as logistics and packaging. As a result, contribution margin (excluding share-based compensation expenses) for H1 2024 decreased to 24.7 % (H1 2023: 27.4 %).

The Group's AEBITDA decreased to MEUR 163.0 in H1 2024, corresponding to a margin of 4.1 %. The Group's AEBIT before impairment charges decreased to MEUR 34.0 in H1 2024, corresponding to a margin of 0.8 %.

2.3 HelloFresh Share and Share Capital Structure

The HelloFresh shares are listed at the Frankfurt Stock Exchange (Prime Standard). During the first half of 2024, the share price of HelloFresh SE declined from EUR 14.31 as of 31 December 2023 to EUR 4.52 as of 30 June 2024. HelloFresh is included in the MDAX Index. Additionally, HelloFresh has also been included in a number of indices in the MSCI family including MSCI Europe IMI and MSCI Europe ESG Leaders.

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

¹ <https://www.reuters.com/markets/us/us-economic-growth-regains-steam-second-quarter-inflation-slows-2024-07-25/>

² <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/publications/monthly-economic-letter/2406>

³ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Eurostatistics_-_data_for_short-term_economic_analysis

⁴ <https://kpmg.com/uk/en/home/insights/2018/09/uk-economic-outlook.html>

⁵ <https://www.aigroup.com.au/resourcecentre/research-economics/economics-intelligence/2024/key-australian-industry-indicators-june-2024/>

⁶ <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>

⁷ <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

During H1 2024, the Group continued its combined share and convertible bond buy back program initiated in October 2023 and repurchased 4,996,604 shares for the total amount of MEUR 42.5 at a weighted average price of EUR 8.5 per share (H1 2023: nil) and convertible bonds with a nominal amount of MEUR 18.3 at a weighted average transaction price of 96.2 %. Since the inception of the combined share and convertible bond buyback program in October 2023, a total of 6,814,406 shares for total amount of MEUR 72.6 and convertible bonds with a nominal value of MEUR 21.3 have been repurchased.

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

3 Position of the Group

The condensed interim consolidated financial statements of HelloFresh were prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

3.1 Earnings Position of the Group

In MEUR	3 months ended			6 months ended		
	30-Jun-24	30-Jun-23	YoY	30-Jun-24	30-Jun-23	YoY
Revenue	1,950.8	1,917.5	1.7 %	4,024.3	3,933.6	2.3 %
Procurement and cooking expenses	(719.1)	(648.4)	10.9 %	(1,505.8)	(1,371.2)	9.8 %
% of revenue	(36.9 %)	(33.8 %)	(3.0 pp)	(37.4 %)	(34.9 %)	(2.5 pp)
Fulfillment expenses	(767.8)	(732.7)	4.8 %	(1,542.4)	(1,503.2)	2.6 %
% of revenue	(39.4 %)	(38.2 %)	(1.2 pp)	(38.3 %)	(38.2 %)	(0.1 pp)
Contribution margin	463.9	536.5	(13.5 %)	976.1	1,059.3	(7.9 %)
% of revenue	23.8 %	28.0 %	(4.2 pp)	24.3 %	26.9 %	(2.6 pp)
Contribution margin (excl. SBC)	473.8	545.5	(13.1 %)	995.4	1,076.4	(7.5 %)
% of revenue	24.3 %	28.4 %	(4.2 pp)	24.7 %	27.4 %	(2.7 pp)
Contribution margin (excl. SBC and impairment)	506.6	551.8	(8.2 %)	1,040.7	1,083.3	(3.9 %)
% of revenue	26.0 %	28.8 %	(2.8 pp)	25.9 %	27.5 %	(1.6 pp)
Marketing expenses	(335.8)	(316.0)	6.3 %	(817.9)	(731.4)	11.8 %
% of revenue	(17.2 %)	(16.5 %)	(0.7 pp)	(20.3 %)	(18.6 %)	(1.7 pp)
Marketing expenses (excl. SBC)	(331.7)	(312.9)	6.0 %	(810.0)	(725.1)	11.7 %
% of revenue	(17.0 %)	(16.3 %)	(0.7 pp)	(20.1 %)	(18.4 %)	(1.7 pp)
General and administrative expenses, and other operating income and expenses	(117.4)	(119.9)	(2.1 %)	(240.4)	(236.2)	1.8 %
% of revenue	(6.0 %)	(6.3 %)	0.2 pp	(6.0 %)	(6.0 %)	0.0 pp
General and administrative expenses, and other operating income and expenses (excl. SBC)	(102.9)	(107.0)	(3.8 %)	(212.4)	(214.7)	(1.1 %)
% of revenue	(5.3 %)	(5.6 %)	0.3 pp	(5.3 %)	(5.5 %)	0.2 pp
EBIT	10.7	100.6	(89.4 %)	(82.2)	91.6	(189.6 %)
% of revenue	0.5 %	5.2 %	(4.7 pp)	(2.0 %)	2.3 %	(4.3 pp)
Depreciation, amortization and impairment	94.7	51.4 ¹	84.2 %	173.8	101.8 ¹	70.7 %
EBITDA	105.4	152.0	(30.7 %)	91.6	193.4	(52.6 %)
% of revenue	5.4 %	7.9 %	(2.5 pp)	2.3 %	4.9 %	(2.6 pp)
Special items	12.5	14.9 ¹	(16.1 %)	16.2	19.7 ¹	(17.8 %)
Share-based compensation expenses	28.5	24.9	14.5 %	55.1	45.0	22.4 %
AEBITDA	146.4	191.9	(23.7 %)	163.0	258.0	(36.8 %)
% of revenue	7.5 %	10.0 %	(2.5 pp)	4.1 %	6.6 %	(2.5 pp)
AEBIT	51.7	140.5	(63.2 %)	(10.8)	156.3	(106.9 %)
% of revenue	2.7 %	7.3 %	(4.6 pp)	(0.3 %)	4.0 %	(4.3 pp)
AEBIT (excl. impairment)	84.0	140.5	(40.2 %)	34.0	156.3	(78.2 %)
% of revenue	4.3 %	7.3 %	(3.0 pp)	0.8 %	4.0 %	(3.2 pp)

¹ Impairment expenses were treated as special items in H1 2023.

During the first half of 2024 HelloFresh recorded revenue of MEUR 4,024.3 (H1 2023: MEUR 3,933.6), this represents an increase of 2.3 % on Euro basis, and 2.4 % on a constant currency basis compared with the same period in 2023. The revenue growth was primarily driven by (i) an increase in the average order value to EUR 65.8, representing a 5.5 % increase on constant currency basis, partially offset by (ii) a decrease of 3.1% in the number of orders.

Contribution margin (excluding share-based compensation expenses) as a percentage of revenue decreased to 24.7 % in H1 2024 compared to 27.4 % in the same period 2023. Procurement and cooking expenses as a percentage of revenue increased to 37.4 % in H1 2024, compared to 34.9 % in H1 2023, mostly due to a higher share of ready-to-eat, which

Position of the Group

includes meal production costs in procurement and cooking expenses. Fulfilment expenses as a percentage of revenue decreased by 0.1 pp from H1 2023 to H1 2024, which was primarily driven by (i) a higher share of ready-to-eat (RTE), which has relatively lower fulfilment expenses and (ii) improved efficiencies in the company's logistics and packaging operations. This was offset by initial ramp-up expenses related to new fulfilment centers in Germany and the UK and by the fact that, given the lower than previously anticipated near-term volume development in its North American meal kit business, the Company has decided to reduce its production capacity, which resulted in one-off non-cash impairment charges of MEUR 44.7 in H1 2024, of which MEUR 32.2 were taken in Q2 2024.

Marketing expenses (excluding share-based compensation expenses) as a percentage of revenue increased by 1.7 pp to 20.1 % in H1 2024, compared to 18.4 % in previous year's period. The increase in marketing spend is primarily a result of the continued strong ramp-up of our RTE new customer acquisitions, primarily during H1 2024. For meal-kits, marketing expenses as a percentage of revenue were actually down YoY in the 2nd quarter of 2024.

General and administrative expenses, and other operating income and expenses (excluding share-based compensation expenses) as percentage of revenue reduced slightly with 5.5 % in H1 2023 compared to 5.3 % in the H1 2024. This illustrates the increased focus on cost discipline enforced at HelloFresh.

The Group reported EBIT of MEUR (82.2) in H1 2024, compared to MEUR 91.6 in H1 2023. This was a result of the factors described above.

Special items for H1 2024 mainly relate to reorganization initiatives amounting to MEUR 4.4 and MEUR 10.0 for the rationalization of certain older or interim fulfilment centers in the US. Share-based compensation expenses amounted to MEUR 55.1 in the first half of 2024 (H1 2023: MEUR 45.0). This increase is mainly caused by a higher number of participants in the current period as compared to H1 2023.

AEBITDA amounted to MEUR 163.0, a positive margin of 4.1 %, compared to MEUR 258.0 in the H1 2023.

AEBIT amounted to MEUR (10.8), a margin of (0.3 %), compared to MEUR 156.3 in the H1 2023.

Net loss amounted to MEUR 75.0 for H1 2024 compared to net profit of MEUR 40.9 for H1 2023. This was driven by the developments described above and by changes in tax expense and finance income and expenses. Increase in other finance income by MEUR 17.1 was mainly due to foreign exchange gains (against foreign exchange losses in H1 2023) and due to a higher positive revaluation impact of cash-settled share-based plans and inclusion of new geographies with cash settled plans in the current period. Lower tax expense was mainly driven by the decreased result before taxes for the period.

EBIT to AEBITDA

In MEUR	6 months ended 30-Jun-24	6 months ended 30-Jun-23	YoY
EBIT	(82.2)	91.6	(189.6 %)
Depreciation, amortization and impairment	173.8	101.8 ¹	
EBITDA	91.6	193.4	(52.6 %)
Special items	16.2	19.7 ¹	
Share-based compensation expenses	55.1	45.0	
AEBITDA	163.0	258.0	(36.8 %)
AEBITDA margin	4.1 %	6.6 %	(2.5 pp)
AEBIT	(10.8)	156.3	(106.9 %)
AEBIT margin	(0.3 %)	4.0 %	(4.3 pp)
Impairment expenses	44.7	— ¹	
AEBIT (excl. impairment)	34.0	156.3	(78.2 %)
AEBIT (excl. impairment) margin	0.8 %	4.0 %	(3.2 pp)

¹ Impairment expenses amounting to MEUR 6.7 were treated as special items in H1 2023.

3.2 Financial Position of the Group

The cash flow from operating activities in H1 2024 amounted to MEUR 146.9 as compared to MEUR 207.3 in H1 2023, mainly affected by temporarily higher production costs within the ready-to-eat product category during the current ramp-up phase as well as the temporary effect of the ramp-up of new meal kits fulfilment centers in Germany and in the UK.

The cash flow used in investing activities amounted to MEUR 96.1 in the first half of 2024 (H1 2023: 203.3). This outflow primarily reflects capital expenditures, with the largest projects focused on expanding our US Ready-to-Eat (RTE) production capacity. Additional, investments were made in meal-kit fulfilment centers in the UK and Australia, as well as in the development of proprietary software. The reduction in capital expenditures during this period is attributed to the completion of several major investment programs over the last 24 months.

The cash outflow in financing activities amounted to MEUR (105.8) in H1 2024 (H1 2023: MEUR (39.0)) which is primarily a result of the lease payments (in accordance with IFRS 16) amounting MEUR 44.4, share buy back of MEUR 42.5, and purchase of outstanding HelloFresh convertible bonds for the amount of MEUR 17.6.

In MEUR	30-Jun-24	30-Jun-23
Cash and cash equivalents at the beginning of the period	433.1	504.0
Net Cash flows from operating activities	146.9	207.3
Net Cash flows used in investing activities	(96.1)	(203.3)
Thereof related to acquisition of companies	—	(34.5)
Net Cash flows used in financing activities	(105.8)	(39.0)
Effects of exchange rate changes on cash and cash equivalents	3.8	(4.5)
Cash and cash equivalents at the end of the period	381.9	464.5

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

In MEUR	30-Jun-24	30-Jun-23
Cash flow from operating activities	146.9	207.3
Capital expenditure	(96.0)	(169.3)
Free Cash Flow for the period (excl. repayment of lease liabilities)	50.9	38.0
Repayment of lease liability (excl. interest)	(44.4)	(38.2)
Free Cash Flow for the period (incl. repayment of lease liabilities)	6.5	(0.2)

Despite the decrease in cash flows from operating activities there was an increase in free cash flows due to lower capital expenditures during the reporting period.

HelloFresh maintained a strong level of cash and cash equivalents at MEUR 381.9. In addition, the Company has a revolving credit facility of MEUR 400.0 of which MEUR 366.2 were not utilized, and were available at the end of the H1 2024. The drawn amount is for off-balance sheet purposes, such as guarantees. Also, the Group concluded on 22 July 2024 a new MEUR 190 term loan financing of up to five years maturity with a syndicate of banks and intends to use the majority of proceeds to refinance the extant amount of convertible bonds.

3.3 Asset Position of the Group

As of 30 June 2024 net book value of property, plant and equipment (“PPE”) amounted MEUR 1,269.3, compared to MEUR 1,298.9 at the year end 2023. Net book value of PPE mostly included: (i) right-of-use assets related to IFRS16 for MEUR 491.6 (31 December 2023: MEUR 504.8), which primarily comprised our fulfilment centers across our markets, and (ii) other tangible fixed assets for MEUR 777.7 (31 December 2023: MEUR 794.1), primarily comprising equipment and machinery used in our fulfilment centers to produce our meal kits and RTE boxes, and refrigeration equipment.

As of 30 June 2024 intangible assets amounted to MEUR 122.4, representing an increase compared to MEUR 114.5 as of 31 December 2023, which was mainly driven by capitalization of internally developed software.

In MEUR	As at 30-Jun-24	As at 31-Dec-23
Assets		
Non-current assets	1,752.5	1,756.4
Cash and cash equivalents	381.9	433.1
Other current assets	387.5	391.7
Total assets	2,521.9	2,581.3
Equity and liabilities		
Equity	954.2	1,019.0
Non-current liabilities	492.1	649.3
Current liabilities	1,075.6	913.0
Total equity and liabilities	2,521.9	2,581.3

The Group’s current assets and liabilities as of 30 June 2024 mainly consisted of (i) cash and cash equivalents for MEUR 381.9 (31 December 2023: MEUR 433.1), and (ii) working capital, which consists of trade receivables for MEUR 18.4 (31 December 2023: MEUR 17.8), inventory of primarily ingredients and packaging material for MEUR 243.2 (31 December 2023: MEUR 222.4), trade payables (excluding Capex payables) for MEUR 565.1 (31 December 2023: MEUR 543.7), contract liabilities for MEUR 127.3 (31 December 2023: MEUR 93.6), and other components of operating working capital for MEUR (23.6) (31 December 2023: MEUR (4.4)). In addition, current liabilities as at 30 June 2024 included the debt component of the convertible bond of MEUR 148.9 due to its maturity in May 2025 (31 December 2023: MEUR 163.7 presented within non-current liabilities) and current lease liabilities of MEUR 100.5 (31 December 2023: MEUR 109.6). Equity component of the convertible bond as at 30 June 2024 amount to MEUR 26.0 (31 December 2023: MEUR 26.0).

Non-current liabilities primarily comprise of lease liabilities under IFRS 16 for MEUR 432.5 (31 December 2023: MEUR 440.8).

During the first half year 2024, the Group continued the bond buyback program initiated in October 2023 and repurchased convertible bonds with a nominal amount of MEUR 18.3 at a weighted average transaction price of 96.2%. The company also bought back MEUR 42.5 of shares over the same period of time.

3.4 Financial Performance of the Reportable Segments

HelloFresh’s business is managed based on two major geographical regions: North America, which comprises the United States of America (“USA” or “US”) and Canada; 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, Philippines (Customer Care Service Center), Spain, Sweden, Switzerland and the United Kingdom (“UK”). Each reportable operating segment represents a strategic business unit, which is managed separately. The segment structure reflects the geographical significance of the areas to the Group.

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

3.4.1 Financial Performance of the North America Segment

In MEUR	3 months ended			6 months ended		
	30-Jun-24	30-Jun-23	YoY	30-Jun-24	30-Jun-23	YoY
Revenue (total)	1,299.4	1,273.3	2.0 %	2,690.2	2,617.3	2.8 %
Revenue (external)	1,288.9	1,264.6	1.9 %	2,669.0	2,600.0	2.7 %
Procurement and cooking expenses	(464.4)	(396.1)	17.2 %	(984.9)	(847.7)	16.2 %
% of revenue	(35.7 %)	(31.1 %)	(4.6 pp)	(36.6 %)	(32.4 %)	(4.2 pp)
Fulfilment expenses	(513.8)	(485.1)	5.9 %	(1,022.6)	(998.9)	2.4 %
% of revenue	(39.5 %)	(38.1 %)	(1.4 pp)	(38.0 %)	(38.2 %)	0.2 pp
Contribution margin	321.2	392.2	(18.1 %)	682.7	770.6	(11.4 %)
% of revenue	24.7 %	30.8 %	(6.1 pp)	25.4 %	29.4 %	(4.0 pp)
Contribution margin (excl. SBC)	328.7	399.4	(17.7 %)	697.4	784.6	(11.1 %)
% of revenue	25.3 %	31.4 %	(6.1 pp)	25.9 %	30.0 %	(4.1 pp)
Contribution margin (excl. SBC and impairment)	361.5	401.6	(10.0 %)	742.8	786.8	(5.6 %)
% of revenue	27.8 %	31.5 %	(3.7 pp)	27.6 %	30.1 %	(2.5 pp)
Marketing expenses	(230.0)	(217.9)	5.6 %	(574.7)	(509.6)	12.8 %
% of revenue	(17.7 %)	(17.1 %)	(0.6 pp)	(21.4 %)	(19.5 %)	(1.9 pp)
Marketing expenses (excl. SBC)	(227.3)	(216.0)	5.2 %	(569.7)	(505.4)	12.7 %
% of revenue	(17.5 %)	(17.0 %)	(0.5 pp)	(21.2 %)	(19.3 %)	(1.9 pp)
General and administrative expenses, and other operating income and expenses	(98.7)	(121.2)	(18.6 %)	(167.6)	(181.0)	(7.4 %)
% of revenue	(7.6 %)	(9.5 %)	1.9 pp	(6.2 %)	(6.9 %)	0.7 pp
Thereof holding fee	(51.2)	(68.7)	(25.5 %)	(68.6)	(81.3)	(15.6 %)
General and administrative expenses, and other operating income and expenses (excl. SBC and holding fee)	(41.9)	(47.7)	(12.2 %)	(88.2)	(90.9)	(3.0 %)
% of revenue	(3.2 %)	(3.7 %)	0.5 pp	(3.3 %)	(3.5 %)	0.2 pp
EBIT	(7.5)	53.1	(114.1 %)	(59.6)	80.0	(174.5 %)
% of revenue	(0.6 %)	4.2 %	(4.8 pp)	(2.2 %)	3.1 %	(5.3 pp)
EBIT (excl. holding fee)	43.7	121.8	(64.1 %)	9.0	161.3	(94.4 %)
% of revenue	3.4 %	9.6 %	(6.2 pp)	0.3 %	6.2 %	(5.9 pp)
Depreciation, amortization and impairment	62.7	22.6 ¹	177.4 %	105.8	44.6 ¹	137.2 %
EBITDA (excl. holding fee)	106.4	144.4	(26.3 %)	114.8	206.0	(44.3 %)
% of revenue	8.2 %	11.3 %	(3.1 pp)	4.3 %	7.9 %	(3.6 pp)
Special items	9.9	8.8 ¹	12.5 %	13.1	10.3 ¹	27.2 %
Share-based compensation expenses	15.8	14.0	12.9 %	30.6	27.0	13.3 %
AEBITDA	132.1	167.2	(21.0 %)	158.4	243.2	(34.9 %)
% of revenue	10.2 %	13.1 %	(2.9 pp)	5.9 %	9.3 %	(3.4 pp)
AEBIT	69.4	144.6	(52.0 %)	52.6	198.6	(73.5 %)
% of revenue	5.3 %	11.4 %	(6.1 pp)	2.0 %	7.6 %	(5.6 pp)
AEBIT (excl. impairment)	102.2	144.6	(29.3 %)	97.9	198.6	(50.7 %)
% of revenue	7.9 %	11.4 %	(3.5 pp)	3.7 %	7.6 %	(3.9 pp)

¹ Impairment expenses were treated as special items in H1 2023.

During the first half of 2024 external revenue of the North America segment increased by 2.7 % from MEUR 2,600.0 in H1 2023 to MEUR 2,669.0. On a constant currency basis, this represents a 2.8 % growth rate driven by: (i) an increase in average order value in constant currency by 6.3 % in the first half of 2024 compared with H1 2023, and (ii) a decrease in number of orders of 3.3 %. Total meals delivered reached 276.7 m in H1 2024, which represents a decrease of 4.4 % as compared to the same period in 2023 (H1 2023: 289.2 m).

Procurement and cooking expenses as a percentage of revenue increased by 4.2 pp from 32.4% in H1 2023 to 36.6% in H1 2024, and fulfilment expenses decreased by 0.2 pp from 38.2 % in H1 2023 to 38.0 % in H1 2024. These changes were due to a higher share of ready-to-eat, which includes meal production costs in procurement and cooking expenses.

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The contribution margin (excluding share-based compensation expenses) as a percentage of revenue decreased by 4.1 pp to 25.9 % in the first half of 2024 compared to 30.0 % in H1 2023. This change is driven by the factors explained above and on Group level. The contribution margin (excluding share-based compensation expenses and impairment) as a percentage of revenue decreased by 2.5 pp to 27.6 % in the first half of 2024 compared to 30.1 % in H1 2023.

Marketing expenses (excluding share-based compensation expenses) as a percentage of revenue increased by 1.9 pp to 21.2 % in H1 2024 compared to 19.3 % in the first half of 2023. The increase in marketing spend of the North America segment was mainly driven by the continued strong ramp-up of the RTE business Factor in H1 2024.

General and administrative expenses, and other operating income and expenses (excluding share-based compensation expenses and holding fee) as a percentage of revenue slightly decreased to 3.3 % in H1 2024 as compared to 3.5 % in first half of 2023.

Reported EBIT (excluding holding fee) decreased to MEUR 9.0 in H1 2024, with a margin of 0.3 %, compared to MEUR 161.3 the first half of 2023 and a margin of 6.2 %. This was a result of the factors described above.

AEBITDA amounted to MEUR 158.4 in H1 2024, reflecting a margin of 5.9 %, compared to MEUR 243.2 and a margin of 9.3 % in the first half of 2023.

AEBIT (excl. impairment) amounted to MEUR 97.9 in H1 2024, reflecting a margin of 3.7 %, compared to MEUR 198.6 and a margin of 7.6 % in the first half of 2023.

3.4.2 Financial Performance of the International Segment

In MEUR	3 months ended			6 months ended		
	30-Jun-24	30-Jun-23	YoY	30-Jun-24	30-Jun-23	YoY
Revenue (total)	671.2	659.7	1.7 %	1,373.5	1,346.0	2.0 %
Revenue (external)	661.9	652.9	1.4 %	1,355.3	1,333.6	1.6 %
Procurement and cooking expenses	(255.4)	(251.3)	1.6 %	(522.5)	(522.5)	0.0 %
% of revenue	(38.0 %)	(38.1 %)	0.1 pp	(38.0 %)	(38.8 %)	0.8 pp
Fulfilment expenses	(255.5)	(248.3)	2.9 %	(522.5)	(505.3)	3.4 %
% of revenue	(38.1 %)	(37.6 %)	(0.5 pp)	(38.0 %)	(37.5 %)	(0.5 pp)
Contribution margin	160.4	160.1	0.2 %	328.5	318.2	3.2 %
% of revenue	23.9 %	24.3 %	(0.4 pp)	23.9 %	23.6 %	0.3 pp
Contribution margin (excl. SBC)	161.8	161.0	0.5 %	331.1	319.8	3.5 %
% of revenue	24.1 %	24.4 %	(0.3 pp)	24.1 %	23.8 %	0.3 pp
Contribution margin (excl. SBC and impairment)	161.8	161.0	0.5 %	331.1	319.8	3.5 %
% of revenue	24.1 %	24.4 %	(0.3 pp)	24.1 %	23.8 %	0.3 pp
Marketing expenses	(100.2)	(94.8)	5.7 %	(232.6)	(214.4)	8.5 %
% of revenue	(14.9 %)	(14.4 %)	(0.5 pp)	(16.9 %)	(15.9 %)	(1.0 pp)
Marketing expenses (excl. SBC)	(99.5)	(94.3)	5.5 %	(231.3)	(213.5)	8.3 %
% of revenue	(14.8 %)	(14.3 %)	(0.5 pp)	(16.8 %)	(15.9 %)	(0.9 pp)
General and administrative expenses, and other operating income and expenses	(45.4)	(50.1)	(9.4 %)	(89.1)	(97.4)	(8.5 %)
% of revenue	(6.8 %)	(7.6 %)	0.8 pp	(6.5 %)	(7.2 %)	0.7 pp
Thereof holding fee	(13.2)	(16.3)	(19.0 %)	(24.0)	(30.0)	(20.0 %)
General and administrative expenses, and other operating income and expenses (excl. SBC and holding fee)	(30.1)	(32.0)	(5.9 %)	(61.1)	(65.6)	(6.9 %)
% of revenue	(4.5 %)	(4.9 %)	0.4 pp	(4.4 %)	(4.9 %)	0.5 pp
EBIT	14.9	15.2	(2.0 %)	6.8	6.4	6.3 %
% of revenue	2.2 %	2.3 %	(0.1 pp)	0.5 %	0.5 %	0.0 pp
EBIT (excl. holding fee)	28.1	31.5	(10.8 %)	30.8	36.4	(15.4 %)
% of revenue	4.2 %	4.8 %	(0.6 pp)	2.2 %	2.7 %	(0.5 pp)
Depreciation, amortization and impairment	21.3	20.3 ¹	4.9 %	43.6	39.6 ¹	10.1 %
EBITDA (excl. holding fee)	49.3	51.8	(4.8 %)	74.4	75.9	(2.0 %)
% of revenue	7.4 %	7.8 %	(0.4 pp)	5.4 %	5.6 %	(0.2 pp)
Special items	0.9	4.8 ¹	(81.3 %)	1.0	7.4 ¹	(86.5 %)
Share-based compensation expenses	4.2	3.2	31.3 %	7.9	4.3	83.7 %
AEBITDA	54.4	59.7	(8.9 %)	83.4	87.7	(4.9 %)
% of revenue	8.1 %	9.1 %	(1.0 pp)	6.1 %	6.5 %	(0.4 pp)
AEBIT	33.2	39.4	(15.7 %)	39.8	48.1	(17.3 %)
% of revenue	4.9 %	6.0 %	(1.1 pp)	2.9 %	3.6 %	(0.7 pp)
AEBIT (excl. impairment)	33.2	39.4	(15.7 %)	39.8	48.1	(17.3 %)
% of revenue	4.9 %	6.0 %	(1.1 pp)	2.9 %	3.6 %	(0.7 pp)

¹ Impairment expenses were treated as special items in H1 2023.

For the first half of 2024 external revenue of the International segment increased by 1.6 % from MEUR 1,333.6 in H1 2023 to MEUR 1,355.3 in H1 2024. On a constant currency basis, this represents a 1.7 % growth rate primarily driven by (i) an increase in the average order value by 4.5 % on a constant currency basis, partially offset by (ii) a decrease of 2.7 % in the number of orders. Total meals delivered reached 237.0 m in H1 2024, which represents a decrease of 2.4 % as compared to the same period last year (H1 2023: 242.9 m).

Contribution margin (excluding share-based compensation expenses) as a percentage of revenue increased by 0.3 pp from 23.8 % in H1 2023 to 24.1 % in H1 2024. Procurement and cooking expenses as a percentage of revenue decreased by 0.8 pp in H1 2024, in comparison with the same period 2023, as ingredient inflation slows and procurement

Position of the Group

efficiencies are realized. Fulfilment expenses as a percentage of revenue increased by 0.5 pp from 37.5 % in H1 2023 to 38.0 % in H1 2024. This was primarily driven by temporarily higher fulfilment expenses in the UK and Germany due to the initial ramp-up of new fulfilment centers.

Marketing expenses (excluding share-based compensation expenses) as a percentage of revenue increased from 15.9 % in the first half of 2023 to 16.8 % in the first half of 2024, driven by the trend described for the Group in [Section 3.1](#), in particular by a continued ramp-up of RTE in Australia, particularly in the first quarter of the year, and to a more modest extent in the first European markets, being Netherlands, Belgium, Sweden and Denmark.

General and administrative expenses, and other operating income and expenses (excluding share-based compensation expenses and holding fee) as a percentage of revenue decreased to 4.4 % in H1 2024 compared to 4.9 % in first half of 2023.

Reported EBIT (excluding holding fee) amounted to MEUR 30.8 in H1 2024, reflecting a margin of 2.2 % compared to 2.7 % in the first half of 2023. This was a result of the factors described above.

AEBITDA amounted to MEUR 83.4, reflecting a margin of 6.1 %, compared to MEUR 87.7 in the first half of 2023 and a margin of 6.5 %.

AEBIT amounted to MEUR 39.8, reflecting a margin of 2.9 %, compared to MEUR 48.1 in the first half of 2023 corresponding to a margin of 3.6 %.

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

The H1 2024 reporting period was characterized by 2.3 % year-on-year revenue growth, against relatively soft consumer environment. The North America Segment grew slightly faster in comparison to the International Segment in the reporting period mainly driven by further expansion of our ready-to-eat business.

Over the same period our contribution margin decreased from 27.4 % in H1 2023 to 24.7 % in H1 2024 due certain non-cash impairment charges described in [Section 3.1](#) and temporarily higher production costs within the ready-to-eat product category during the current ramp-up phase as well as the temporary effect of the ramp-up of new meal kits fulfilment centers in Germany and the UK. The Group's AEBITDA also decreased to MEUR 163.0 in H1 2024, corresponding to a margin of 4.1 %.

4 Risk and Opportunity Report

The risks and opportunities presented in the Annual Report 2023 remain valid in the current reporting period.

As we have assessed that there are sufficient controls in place to manage and to react to any crisis that could damage the reputation of the HelloFresh Group, the net risk rating of the operational risk related to Public Relations Crisis¹ has been changed from high risk in the Group Annual Report 2023 to a moderate risk in the H1 2024 assessment.

No additional risks have been assessed as material or critical. Currently, we are unaware of any individual or aggregated risks that could jeopardize the continued existence of HelloFresh Group.

¹ Risk reported as “Improper / too slow reaction to crisis incidents / social media criticism” in our annual report.

5 Outlook

5.1 Economic Conditions

According to the International Monetary Fund's (IMF) World Economic Outlook ('WEO') issued on July 2024¹, global growth is projected at 3.2 % in 2024 and 3.3 % in 2025, with the forecasts being 0.1 pp higher than that in the January 2024 WEO². This change in forecasts was on account of greater-than-expected resilience in several large emerging market and developing economies. The forecast for years 2024 and 2025 is, however, below the historical average of 3.8 % due to high borrowing costs, reduced fiscal support, and long-term impacts from the COVID-19 pandemic and geopolitical tensions.

According to IMF¹, the United States projected growth is revised downward to 2.6 % in 2024 (0.1 pp lower than projected in April), reflecting the slower-than-expected start to the year. Growth is expected to slow to 1.9 % in 2025 as the labor market cools and consumption moderates, with fiscal policy starting to tighten gradually.

In the Euro area, growth for 2024 is now expected to be 0.9 %, an upward revision of 0.1 pp, driven by stronger services momentum and higher-than-expected net exports. Growth is projected to rise to 1.5 % in 2025, due to consumption improvement, rising of real wages and increased investment resulting from easing financing conditions and gradual loosening of monetary policy. However, continued weaknesses in manufacturing suggest a slower recovery in countries like Germany.

Regarding the Australian economy, it is expected to grow by 1.4 % in 2024 and 2.0 % in 2025.

According to the January 2024 WEO¹, global headline inflation was expected to fall to 5.8 % for the year 2024 and to 4.4 % for 2025. In the latest update from July 2024 WEO², global inflation is anticipated to continue its decline in advanced economies. The updated forecast indicates a slower pace of disinflation in 2024 and 2025 due to more persistent inflation in service prices and higher commodity prices. However, the gradual cooling of labor markets, along with an anticipated decline in energy prices, is expected to bring headline inflation back to target by the end of 2025.

5.2 Outlook

HelloFresh Group reconfirms the outlook provided in detail in its Annual Report dated 14 March 2024: the company targets for 2024 a constant currency revenue growth of 2 % - 8 %, and an AEBITDA between MEUR 350 and MEUR 400 on Group level. This AEBITDA target is based on a US\$ to EUR rate of c. 1.08, as well as foreign exchange rates prevalent in mid March 2024 for our other major currencies. A strengthening of the EUR would decrease HelloFresh's reported Group AEBITDA and vice versa.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>

² <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

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Consolidated Statement of Financial Position

as of 30 June 2024

In MEUR	Notes	As at 30-Jun-24	As at 31-Dec 2023
Assets			
Non-current assets			
Property, plant and equipment	8	1,269.3	1,298.9
Intangible assets	3	122.4	114.5
Goodwill		282.4	276.0
Other financial assets	9	21.3	21.9
Other non-financial assets		0.8	0.8
Deferred income tax assets	12	56.3	44.3
Total non-current assets		1,752.5	1,756.4
Current assets			
Inventories		243.2	222.4
Trade receivables	9	18.4	17.8
Other financial assets	9	15.7	19.1
Other non-financial assets		110.2	132.5
Cash and cash equivalents	9	381.9	433.1
Total current assets		769.4	824.9
Total assets		2,521.9	2,581.3

Consolidated Statement of Financial Position (continued)

as of 30 June 2024

In MEUR	Note	As at 30-Jun-24	As at 31-Dec 2023
Equity and liabilities			
Share Capital	10	173.2	173.2
Treasury shares	10	(71.3)	(31.5)
Capital reserves	10	355.6	355.6
Other reserves	10	263.3	220.8
Retained earnings		238.2	313.0
Other comprehensive loss		(2.0)	(9.5)
Equity attributable to the Company's shareholders		957.0	1,021.6
Non-controlling interests		(2.8)	(2.6)
Total equity		954.2	1,019.0
Non-current liabilities			
Other financial liabilities	9	435.2	441.1
Deferred income tax liabilities	12	20.5	12.9
Long-term debt	9	—	163.8
Provisions		36.4	31.5
Total non-current liabilities		492.1	649.3
Current liabilities			
Trade and other payables	9	574.1	560.2
Other financial liabilities	9	104.0	115.5
Short-term debt	9	148.9	—
Provisions		2.4	21.8
Contract liabilities		127.3	93.6
Income tax liabilities		4.2	3.9
Other non-financial liabilities		114.7	118.0
Total current liabilities		1,075.6	913.0
Total equity and liabilities		2,521.9	2,581.3

Consolidated Statement of Comprehensive Income for the reporting period ended as of 30 June 24

In MEUR	Notes	3 months ended		6 months ended	
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Revenue	<u>7</u>	1,950.8	1,917.5	4,024.3	3,933.6
Procurement and cooking expenses		(719.1)	(648.4)	(1,505.8)	(1,371.2)
Fulfilment expenses		(767.8)	(732.7)	(1,542.4)	(1,503.2)
Marketing expenses		(335.8)	(316.0)	(817.9)	(731.4)
General and administrative expenses		(107.8)	(106.5)	(219.7)	(208.4)
Other operating income		3.6	2.8	7.1	5.6
Other operating expenses		(3.2)	(4.8)	(7.4)	(9.0)
Loss allowance on trade receivables		(10.0)	(11.3)	(20.4)	(24.4)
Operating profit / (loss)		10.7	100.6	(82.2)	91.6
Interest income		4.0	1.3	6.8	3.1
Interest expense		(8.9)	(8.6)	(18.2)	(17.5)
Other finance income		7.8	4.0	22.8	5.7
Other finance expense		0.7	0.0	(1.4)	(11.0)
Profit / (loss) before income tax		14.3	97.3	(72.2)	71.9
Income tax	<u>12</u>	(5.5)	(31.0)	(2.8)	(31.0)
Profit / (loss) for the period		8.9	66.3	(75.0)	40.9
attributable to:					
Owners of the Company		9.1	66.5	(74.8)	41.3
Non-controlling interests		(0.2)	(0.2)	(0.2)	(0.4)
Other comprehensive income (loss):					
Items that will be subsequently reclassified to profit and loss when specific conditions are met					
Exchange differences on translation to presentation currency, net of tax		4.3	0.2	7.4	(8.7)
Fair value remeasurement of financial instruments, net of tax		0.0	(0.6)	0.1	(0.2)
Other comprehensive income / (loss) for the period		4.3	(0.4)	7.5	(8.9)
Total comprehensive income / (loss) for the period		13.2	65.9	(67.5)	32.0
Total comprehensive income (loss) attributable to:					
Owners of the Company		13.4	66.1	(67.3)	32.4
Non-controlling interests		(0.2)	(0.2)	(0.2)	(0.4)
Basic earnings per share (in EUR)	<u>13</u>	0.05	0.39	(0.44)	0.24
Diluted earnings per share (in EUR)	<u>13</u>	0.05	0.38	(0.46)	0.23

Consolidated Statement of Changes in Equity

for the reporting period ended as of 30 June 2024

In MEUR	Attributable to the owners of the Company							Attributable to non-controlling interests	Total
	Share capital	Treasury shares	Capital reserves	Other reserves	Retained earnings	Other comprehensive income (loss)	Total		
Balance 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 period	—	—	—	—	41.3	—	41.3	(0.4)	40.9
Currency translation	—	—	—	—	—	(8.7)	(8.7)	—	(8.7)
Fair value remeasurement of financial instruments	—	—	—	—	—	(0.2)	(0.2)	—	(0.2)
Total comprehensive income (loss)							32.4	(0.4)	32.0
Issue of share capital	0.5	—	0.1	—	—	—	0.6	—	0.6
Cash payout of share based compensation	—	—	—	(1.4)	—	—	(1.4)	—	(1.4)
Share-based compensation expenses (equity-settled)	—	—	—	46.6	—	—	46.6	—	46.6
Balance as at 30 June 2023	172.4	(1.3)	356.2	183.6	335.7	(6.7)	1,039.9	(2.5)	1,037.4
Balance as at 1 January 2024	173.2	(31.5)	355.6	220.8	313.0	(9.5)	1,021.6	(2.6)	1,019.0
Loss for the period	—	—	—	—	(74.8)	—	(74.8)	(0.2)	(75.0)
Currency translation	—	—	—	—	—	7.4	7.4	—	7.4
Fair value remeasurement of financial instruments	—	—	—	—	—	0.1	0.1	—	0.1
Total comprehensive income (loss)							(67.3)	(0.2)	(67.5)
Share-based compensation (equity-settled)	—	2.7	—	43.7	—	—	46.4	—	46.4
Cash payout of share based compensation	—	—	—	(1.2)	—	—	(1.2)	—	(1.2)
Share buy back	—	(42.5)	—	—	—	—	(42.5)	—	(42.5)
Balance as at 30 June 2024	173.2	(71.3)	355.6	263.3	238.2	(2.0)	957.0	(2.8)	954.2

Consolidated Statement of Cash Flows

for the reporting period ended as of 30 June 2024

In MEUR	6 months ended 30-Jun-24	6 months ended 30-Jun-23
Cash flow from operating activities		
(Loss) / Profit for the period	(75.0)	40.9
Adjustments for:		
Interest income	(6.8)	(3.1)
Interest expense	18.2	17.5
Other finance income	(22.8)	(5.7)
Other finance expense	1.4	11.0
Income tax	2.8	31.0
Income tax refund / (paid)	4.5	(69.4)
Depreciation, amortization and impairment	173.8	101.8
Loss on disposal of fixed assets	0.0	2.3
Share-based compensation expenses	55.1	45.0
Other non-cash transactions	2.1	3.1
(Decrease) / increase in provisions	(15.6)	(1.0)
Changes in working capital related to operating activities		
(Increase) / decrease in trade receivables	(0.5)	1.6
(Increase) / decrease in inventories	(15.3)	38.2
Increase / (decrease) in trade and other payables	10.6	(26.6)
Increase / (decrease) in contract liabilities	16.7	13.7
Net change in other components of operating working capital	0.1	20.1
(Increase) / decrease in other financial assets	(7.1)	(4.2)
(Increase) / decrease in other non-financial assets	8.1	(0.7)
Increase / (decrease) in other financial liabilities	0.0	(1.7)
Increase / (decrease) in other non-financial liabilities	4.9	5.3
Interest received	6.8	3.1
Interest received (IFRS 16)	0.1	0.1
Interest paid	(1.0)	(1.4)
Interest paid (IFRS 16)	(14.2)	(13.6)
Net cash used in operating activities	146.9	207.3
Cash flow from investing activities		
Payment of contingent purchase price liability	—	(34.5)
Purchase of property, plant and equipment	(68.8)	(140.8)
Software development expenditure	(24.7)	(19.3)
Purchase of intangible assets	(3.3)	(9.2)
Lease payments received from finance leases (IFRS 16)	0.8	0.8
Placement of restricted cash accounts and deposits	(1.0)	(0.8)
Withdrawal from restricted cash accounts and deposits	0.9	0.5
Net cash used in investing activities	(96.1)	(203.3)

Consolidated Statement of Cash Flows

In MEUR	6 months ended 30-Jun-24	6 months ended 30-Jun-23
Cash flow from financing activities		
Repayment of principal under IFRS 16	(44.4)	(38.2)
Repurchase under share buyback program	(42.5)	—
Repurchase under convertible bond buyback program	(17.6)	—
Repurchase of equity instruments due to share-based compensations	(1.2)	(1.4)
Proceed from the issuance of share capital	—	0.6
Net cash used in financing activities	(105.8)	(39.0)
Effects of exchange rate changes on cash and cash equivalents	3.8	(4.5)
Cash and cash equivalents at the beginning of the period	433.1	504.0
Cash and cash equivalents at the end of the period	381.9	464.5

Explanatory Notes to the Condensed Interim Consolidated Financial Statements

1 Corporate Information

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

The Group’s principal business activity is to provide food solutions to customers. This includes meal kits, add-on products, and ready-to-eat meals. The Group also operates two smaller businesses, a premium direct-to-customer butcher brand, Good Chop, and human-grade pet food brand, The Pets Table.

2 Basis of Accounting

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and should be read in conjunction with the Group’s previous annual consolidated financial statements for the year ended 31 December 2023. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards.

The interim 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.

Standards and interpretations that became effective beginning on or after 1 January 2024 did not lead to any changes in accounting policies. All IASs or IFRSs as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that were effective as of 30 June 2024 were adopted.

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

The Group structured its Statement of Comprehensive Income by function. For that purpose, it defined its Cost of Sales as Procurement and Cooking Expenses and Fulfilment Expenses, excluding fees to payment service providers. Cost of sales for H1 2024 are MEUR 2,980.9 (H1 2023: MEUR 2,806.8). From year end 2023, the Group began excluding impairment of property, plant and equipment and intangible assets for determination of EBITDA which management considers to be akin to depreciation and amortization expenses. Prior to this change, such impairments were often classified as special items. With the new approach, these impairments are not special items anymore and thus included in AEBIT.

These interim financial statements are unaudited and were authorized for issue by the Company’s board as of 12 August 2024.

3 Significant Accounting Judgements, Estimates and Assumptions

During the preparation of these interim financial statements, the management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Actual results may differ from these estimates. Except for the change in estimates stated below, the significant judgements and assumptions made by management in applying the Group’s accounting policies and the key sources of estimation of uncertainty correspond to those described in the Group’s consolidated financial statements as of the year ended 31 December 2023.

In the current reporting period, the Group changed the useful lives of its ready-to-eat trademarks Factor and Youfoodz from finite useful life of 10 years (with annual amortization charge of MEUR 5.8) to indefinite. An analysis of ready-to-eat food solutions life cycle, their operational performance and competitive trends provides evidence that the brands will generate net cash-inflows for the Group for indefinite period of time. In H1 2024, the Group made further steps towards international expansion of Factor and rebranding Youfoodz to reinforce brand awareness and intends to incur marketing expenditures that are necessary to sustain future economic benefits from its ready-to-eat brands. Therefore, starting from April 2024, the Group’s trademarks Factor and Youfoodz are carried at cost without further amortization charges, but are subject to annual impairment testing. This change in estimate was applied prospectively without any changes to comparative information.

4 Summary of Significant Accounting Policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Group's consolidated financial statements as of the year ended 31 December 2023.

5 Segment and Product Information

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. The Group has divided its operating activities into the following two operating segments: the North America Segment ("NA"), which comprises the United States of America and Canada; and the International Segment ("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 two 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 segment information for the reporting period is set out below:

In MEUR	6-months ended 30 June 2024					
	North America	Int'l	Total segments	Holding	Conso	Group
Total revenue	2,690.2	1,373.5	4,063.7	309.3	(348.6)	4,024.3
Internal revenue	21.2	18.1	39.3	309.3	(348.6)	—
External revenue	2,669.0	1,355.3	4,024.3	—	—	4,024.3
Contribution margin (excl. SBC)	697.4	331.1	1,028.5	275.3	(308.4)	995.4
Adjusted EBITDA	158.4	83.4	241.8	(78.8)	—	163.0
Special items	(13.1)	(1.0)	(14.1)	(2.1)	—	(16.2)
Share-based compensation expenses	(30.6)	(7.9)	(38.5)	(16.6)	—	(55.1)
EBITDA (excl. holding fee)	114.8	74.4	189.2	(97.6)	—	91.6
Depreciation, amortization and impairment	(105.8)	(43.6)	(149.4)	(24.4)	—	(173.8)
EBIT (excl. holding fee)	9.0	30.8	39.8	(122.0)	—	(82.2)
Holding fee	(68.6)	(24.0)	(92.6)	92.6	—	—
EBIT	(59.6)	6.8	(52.8)	(29.4)	—	(82.2)
Interest income	3.1	2.6	5.7	21.1	(20.0)	6.8
Interest expense	(13.9)	(13.4)	(27.3)	(10.9)	20.0	(18.2)
Other finance income (excl. intercompany dividends)	8.8	6.6	15.4	7.4	—	22.8
Other finance expense	(0.2)	(0.6)	(0.8)	(0.6)	—	(1.4)
Profit (loss) before income tax expense	(61.8)	2.0	(59.8)	(12.4)	—	(72.2)

¹ Special items (excl. share-based compensation expenses) for H1 2024 mainly relate to reorganization initiatives amounting to MEUR 4.4 and MEUR 10.0 for the rationalization of certain older or interim fulfilment centers in the US.

Explanatory Notes

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

¹ Special items (excl. share-based compensation expenses) for H1 2023 mainly relate to reorganization initiatives in the US and UK (MEUR 14.5) and acquisition related management earn-out programs that are in place for Factor (MEUR 2.9).

Product information

Additional information presented by product category for the reporting period is set out below:

In MEUR	3 months ended 30-Jun-24	3 months ended 30-Jun-23	YoY change	6 months ended 30-Jun-24	6 months ended 30-Jun-23	YoY change
Revenue						
Meal kits	1,408.7	1,553.3	(9.3 %)	2,968.0	3,240.6	(8.4 %)
RTE	519.1	353.8	46.7 %	1,014.7	675.5	50.2 %
Others	23.0	10.4	122.1 %	41.6	17.6	137.0 %
Group	1,950.8	1,917.5	1.7 %	4,024.3	3,933.6	2.3 %
Revenue constant currency						
Meal kits	1,398.9	1,553.3	(9.9 %)	2,970.2	3,240.6	(8.3 %)
RTE	513.7	353.8	45.2 %	1,016.2	675.5	50.4 %
Others	22.8	10.4	119.7 %	41.6	17.6	136.9 %
Group	1,935.4	1,917.5	0.9 %	4,028.1	3,933.6	2.4 %
AEBITDA						
Meal kits	171.8	199.9	(14.0 %)	251.6	292.0	(13.8 %)
RTE	20.6	30.0	(31.3 %)	(0.7)	45.6	(101.6 %)
Others	(5.3)	(3.1)	72.1 %	(9.1)	(6.8)	32.8 %
Holding	(40.7)	(34.9)	16.7 %	(78.8)	(72.3)	9.0 %
Group	146.4	191.9	(23.7 %)	163.0	258.5	(36.9 %)

6 Seasonality of the Operations

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

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

7 Revenue

Revenue Streams

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

Disaggregation of revenue from contracts with customers

In MEUR	North America		International		Total	
	6 months ended		6 months ended		6 months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Revenue from direct-to-consumer sales	2,656.4	2,588.1	1,327.1	1,312.1	3,983.3	3,900.1
Other revenue	12.6	11.9	28.2	21.5	41.0	33.5
Total Revenue	2,669.0	2,600.0	1,355.3	1,333.6	4,024.3	3,933.6

Disaggregation of revenue from contracts with customers for the 3 months ended 30 June 2024

In MEUR	North America		International		Total	
	3 months ended		3 months ended		3 months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Revenue from direct-to-consumer sales	1,282.9	1,259.9	645.7	641.4	1,928.6	1,901.3
Other revenue	6.0	4.7	16.2	11.5	22.2	16.2
Total Revenue	1,288.9	1,264.6	661.9	652.9	1,950.8	1,917.5

Contract Balances

In MEUR	As at 30 Jun 2024	As at 31 Dec 2023
Trade receivables	18.4	17.8
Contract liabilities	127.3	101.9

The contract liabilities relate to payments received from customers amounting to MEUR 127.3 (31 Dec 2023: MEUR 101.9), for which the Group has not yet delivered goods at the reporting period end. 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 30 June 2024, as substantially all revenue will be recognized within one year.

8. Property, plant and equipment

During the 6 months ended 30 June 2024, the Group acquired assets with a cost of MEUR 61.1 (6 months ended 30 June 23: MEUR 119.5). The additions mainly relate to the equipment purchased for the fulfillment centers as well as leasehold improvements for office premises. Assets with a carrying amount of MEUR 1.2 were disposed of during 6 months ended 30 June 2024 (6 months ended 30 June 23: MEUR 1.1).

Impairment recognised during the 6 months ended 30 June 2024 amounted to MEUR 44.7 (6 months ended 30 June 23: MEUR 6.6) and relates to impairment of interim production facilities in the US due to reorganisation initiatives. The recoverable amount of these production facilities of MEUR 52.5 was determined on the group of related assets level based on the fair value less cost of disposal (FVLCO) (FV Level 3) using a present value technique with a discount rate of 4.8 %. Key assumptions in determination of FVLCO are mainly discount rate and sublease rental rates. Any reasonably possible change in the key assumptions would not have a significant effect on the amount of impairment loss.

During the 6 months ended 30 June 2024, the Group entered into several new lease agreements, mainly for new office spaces and fleet hubs in the US and Canada, as well as movable assets such as equipment, vans and cars for a number of Group companies. The cumulative effect of the additional right-of-use assets and lease liabilities recognised on commencement of the leases as well as increase in those following lease modifications and reassessments was MEUR 34.5 (6 months ended 30 June 23: MEUR 104.3).

As of 30 June 2024, the Group has capital commitments of MEUR 36.1 (31 Dec 2023: MEUR 39.3). The Group has additionally made a commitment to enter into several lease contracts not yet commenced. These leases upon commencement will lead to total additional payments (including all options to extend these leases) of up to MEUR 59.4 (31 Dec 2023: MEUR 11.5).

9. Financial Instruments

The majority of financial assets held by the Group are measured at amortized cost according to IFRS 9. The derivative financial instruments represented by financial assets arising on net investment hedge are measured at fair value through other comprehensive income (Level 2 of fair value hierarchy) and the receivables from sales of tax credits to a third party are measured at fair value through profit and loss (level 2 of the fair value hierarchy). The fair value of trade receivables, other financial assets, cash and cash equivalents, trade and other payables and other financial liabilities approximate their respective carrying amounts largely due to short-term maturities of these instruments. The fair value of long-term deposits and restricted cash approximate their carrying amounts as they bear interest at market rates.

All financial assets are disclosed below:

In MEUR	As at 30 Jun 2024	As at 31 Dec 2023
Other financial assets (non-current)	21.3	21.9
Trade receivables	18.4	17.8
Other financial assets (current)	15.7	19.1
Cash and cash equivalents	381.9	433.1
Total	437.3	491.9

Other financial assets (non-current) consisted of (i) security deposits for long-term lease contracts, (ii) future lease payment receivables of MEUR 3.2 (31 Dec 2023: MEUR 3.8) from sub-leases where HelloFresh was the sub-lessor, (iii) receivables of MEUR 5.5 (31 Dec 2023: MEUR 6.3) from the sale of tax credits to a third party and other miscellaneous items. Other financial assets (current) primarily included short-term restricted cash balances and short-term deposits to business partners such as marketing agencies. Cash and cash equivalents include bank balances of MEUR 17.6 with certain contractual restrictions on use as at 30 June 2024 (31 Dec 2023: nil).

All financial liabilities are measured at amortized cost, except for derivative financial liabilities represented by financial liabilities arising on net investment hedge that are measured at fair value through other comprehensive income (Level 2 of fair value hierarchy) and the financial liability for cash-settled share-based compensation which is measured at fair value according to IFRS 2.

All financial liabilities are disclosed below:

In MEUR	As at 30 Jun 2024	As at 31 Dec 2023
Other financial liabilities (non-current)	435.2	441.1
Trade and other payables	574.1	560.2
Other financial liabilities (current)	104.0	115.5
Short-term debt	148.9	0.1
Long-term debt	—	163.7
Total	1,262.2	1,280.6

Other non-current financial liabilities are mainly represented by non-current lease liabilities amounting to MEUR 432.5 (31 Dec 2023: MEUR 440.8). Current lease liabilities of MEUR 100.5 as at 30 June 2024 (31 Dec 2023: MEUR 109.6) are presented within other current financial liabilities. Other current financial liabilities also included MEUR 0.4 (31 Dec 2023: MEUR 2.1) liabilities for cash-settled share-based compensation. Fair value of lease liabilities approximate their carrying amounts as incremental borrowing rates used to discount lease liabilities approximate market ones as at 30 June 2024.

As of 30 June 2024 trade and other payables included payables for capital expenditures of MEUR 9.0 (31 Dec 2023: MEUR 16.4). Trade payables primarily comprised balances payable to ingredient suppliers, carriers, partners providing warehousing, packaging and marketing services.

As of 30 June 2024 short-term debt is represented by the debt component of the convertible bond in amount of MEUR 148.9 (31 Dec 2023: MEUR 163.7 presented within long-term debt). As at 30 June 2024 the debt component of the convertible bond is presented as short-term due to its maturity in May 2025. Fair value of debt component of convertible bond approximate its carrying amount largely due to its short-term nature as at 30 June 2024.

During six-month period ended 30 June 2024, the Group continued bond buy back program initiated in 2023 and repurchased convertible bonds with a nominal amount of MEUR 18.3 at a weighted average transaction price of 96.2% (six-month period ended 30 June 2023: nil). On 22 July 2024, the Group signed a new MEUR 190 syndicated term loan financing of up to five years maturity and intends to use the majority of proceeds to refinance the extant amount of convertible bonds. As of the date of issuance of these consolidated financial statements, this loan facility is not drawn.

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

There have been no changes to the Group's financial risk management objectives and policies in comparison to those mentioned in the annual consolidated financial statements for the year ended 31 December 2023. There have also been no changes in the nature and extent of risks arising from financial instruments during the interim period.

10. Equity

	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 1 January 2024	173,190,562	173,190,562	365.6	(10.0)	355.6
Issue of ordinary share capital	—	—	—	—	—
As of 30 June 2024	173,190,562	173,190,562	365.6	(10.0)	355.6

Other reserves are represented by effects from the equity-settled share-based compensation plans.

In the first half year 2024, the Group continued share buy back program initiated in 2023 and repurchased 4,996,604 shares for the total amount of MEUR 42.5 at a weighted average price of EUR 8.5 per share (six-month period ended 30 June 2023: nil).

11. Share-Based Compensation

The Group operates equity-settled share-based compensation plans, under which Group companies receive services from employees and employees receive equity instruments of the Company as a compensation. Additionally, the Group operates cash-settled compensation plans for certain levels of management, including local senior management of newly launched businesses, and starting from Q1 2024 also for a few geographies of the Group and a program for executive management level. During the first half of 2024, the group granted 6.8 million options, with a grant price between EUR 5.87 and EUR 12.81 and 9.2 million restricted stock units (RSU).

All program details, except as described above, are in line with the earlier plans, we refer to **NOTE 20** in our Annual Report 2023 for further details.

The share-based payment expense, including the effects from remeasurement of cash-settled plans presented within finance income (and therefore not impacting adjustments for AEBITDA and AEBIT), from the two programs was recorded as follows:

In MEUR	3 months ended 30-Jun-24	3 months ended 30-Jun-23	6 months ended 30-Jun-24	6 months ended 30-Jun-23
Equity-settled plans	25.9	24.7	50.3	46.6
Cash-settled plans	0.7	0.2	(2.9)	(1.6)
Total	26.6	24.9	47.4	45.0

The Segment expense is summarized below:

In MEUR	3 months ended 30-Jun-24	3 months ended 30-Jun-23	6 months ended 30-Jun-24	6 months ended 30-Jun-23
North America	15.6	14.0	29.8	27.0
International	3.0	3.2	2.8	4.3
Holding	8.0	7.7	14.8	13.7
Total	26.6	24.9	47.4	45.0

Share-based compensation expenses for equity settled plans amount to MEUR 50.3 in the first half of 2024, which increased by MEUR 3.7 compared to the first half of 2023 mainly driven by a higher number of participants. Income from share-based compensation for cash settled share-based plans amounts to MEUR 2.9, which increased by MEUR 1.3 as compared to the first half of 2023 due to a higher positive revaluation impact of cash-settled plans and inclusion of new geographies with cash settled plans in the current period.

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

Employee Incentive Plan	Options	RSU	Total
Vested (in mn)	10.2	1.1	11.3
Weighted average exercise price (in EUR) – vested shares	21.91	—	19.73
Unvested (in mn)	8.7	10.2	18.9
Weighted average exercise price (in EUR) – unvested shares	14.55	—	6.68
Total outstanding (in mn)	18.9	11.4	30.3
Weighted average exercise price (in EUR) - total shares	18.52	—	11.56

12. Income Taxes

The Group calculates the period income tax expense using the tax rate that would be applicable on the expected total annual earnings. The effective tax rate for the half year ending 30 June 2024 is (3.9 %) (H1 2023: 43.1 %). The lower tax rate in H1 2024 is mainly caused by the overall loss position of the Group and not being able to recognize full deferred tax assets for all entities as well as tax effects of non-deductible expenses. The decrease of the absolute tax expense in the amount of MEUR 28.2 to MEUR 2.8 results from the loss before income tax compared to H1 2023.

Global minimum tax

The Group is subject to Pillar II rules, which have been enacted through local legislation in most of the countries in which it operates and already apply to the Group's financial year from 1 January 2024. The Group has applied the Transitional CbCR (Country-by-country reporting) 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 Effective Tax Rate or Routine Profits test. For those entities that do not qualify for Transitional CbCR Safe Harbour status, no current top-up taxes have been recognized as the nominal tax rate is well above 15% for those jurisdictions. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

13. Earning per Share

The Group reports basic and diluted earnings per share.

Basic earnings per share is calculated as follows:

	3 months ended 30-Jun-24	3 months ended 30-Jun-23	6 months ended 30-Jun-24	6 months ended 30-Jun-23
Net profit / (loss) for the period attributable to the shareholders of HelloFresh SE (in MEUR)	9.1	66.5	(74.8)	41.3
Basic weighted average number of ordinary shares (in millions)	167.4	172.1	168.6	171.9
Basic earning per share (in EUR)	0.05	0.39	(0.44)	0.24

Diluted earnings per share is calculated as follows:

	3 months ended 30-Jun-24	3 months ended 30-Jun-23	6 months ended 30-Jun-24	6 months ended 30-Jun-23
Net profit / (loss) after dilution for the period attributable to the shareholders of HelloFresh SE (in MEUR)	8.2	67.9	(78.4)	42.1
Weighted average number of diluted shares (in millions)	168.3	180.6	169.5	180.5
Diluted earning per share (in EUR)	0.05	0.38	(0.46)	0.23

The diluted earnings per share are determined by adding the post-tax effect on remeasurement of share based payments that are presented as a cash-settled in these consolidated financial statements based on the past practice but contain an option of settlement in equity to the net profit for the period attributable to the shareholders and dividing them by diluted weighted average number of shares. Post-tax interest expense on convertible bonds had antidilutive effects and therefore was not taken into account upon calculation of diluted earnings per share.

14. Related Party Transactions

The Group did not have any transactions with the management board and supervisory board during the half year apart from the fixed compensation and share based compensation, as stated in the contracts and as disclosed in the Company's annual compensation report. Also for other key management personnel there have not been other transactions.

15. Events after the Reporting Period

On 22 July 2024, the Group signed a new MEUR 190 syndicated term loan financing of up to five years maturity and intends to use the proceeds for refinancing and general corporate purposes.

Subsequent to the reporting period end the Group repurchased 2,113,864 shares for the total amount of MEUR 12.0 at a weighted average price of EUR 5.7 per share and convertible bonds with a nominal amount of MEUR 1.4 at a weighted average transaction price of 96.8 %. Since the inception of the combined share and convertible bond buyback program in October 2023, a total of 8,928,270 shares for total amount of MEUR 84.6 and convertible bonds with a nominal value of MEUR 22.7 have been repurchased.

There are no other events of special significance which occurred after the end of the reporting period.

Berlin, 12 August 2024

Dominik Richter
Chief Executive
Officer

Thomas Griesel
Chief Executive
Officer International

Christian Gaertner
Chief Financial
Officer

Edward Boyes
Chief Commercial
Officer

D. Further Information

Responsibility Statement by the Management Board

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

Berlin, 12 August 2024

Dominik Richter
Chief Executive
Officer

Thomas Griesel
Chief Executive
Officer
International

Christian Gaertner
Chief Financial
Officer

Edward Boyes
Chief Commercial
Officer

Auditor Review Report¹

To HelloFresh SE, Berlin

We have reviewed the condensed interim consolidated financial statements – comprising the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected explanatory notes – and the interim group management report of HelloFresh SE, Berlin, for the period from 1 January to 30 June 2024 which are part of the half-year financial report pursuant to § [Article] 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The voluntary additional information for the 2nd Quarter 2024 and the 2nd Quarter 2023, respectively, contained in the consolidated statement of comprehensive income, and in sections "5 Segment and Product Information", "7 Revenue", "11 Share-Based Compensation" and "13 Earning per Share" of the selected explanatory notes as well as in sections "2.2 Course of Business" and "3 Position of the Group" of the interim group management report were not within the scope of our review. The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's executive directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. Our conclusions on the condensed interim consolidated financial statements and on the interim group management report do not cover the voluntary additional information for the 2nd Quarter 2024 and the 2nd Quarter 2023, respectively, contained in the consolidated statement of comprehensive income, and in sections "5 Segment and Product Information", "7 Revenue", "11 Share-Based Compensation" and "13 Earning per Share" of the selected explanatory notes as well as in sections "2.2 Course of Business" and "3 Position of the Group" of the interim group management report.

Berlin, 12 August 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

sgd. Susanne Riedel
Wirtschaftsprüferin
[German Public Auditor]

sgd. ppa. Dr. Kay Lubitzsch
Wirtschaftsprüfer
[German Public Auditor]

¹ Translation - the German text is authoritative

Glossary

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 (SBC) 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 and cooking expenses, and fulfilment costs.

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 (including lease payments received from finance leases (IFRS 16) and excluding investments in subsidiaries, time deposits, and restricted cash) and repayment of lease liabilities (IFRS 16) (excluding interest).

Free Cash Flow per diluted share

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

Fulfilment Expenses

Fulfilment Expenses represent costs attributable to picking ingredients into boxes, packaging (including packaging materials), shipping expenses for customer orders, fees to payment service providers and menu planning expenses. Fulfilment costs also include amounts paid to third parties that assist in fulfilment operations.

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.

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.

Procurement and Cooking Expenses

Procurement and Cooking Expenses consist of purchase price for ingredients, salaries, inbound shipping charges and cooking costs for ready-to-eat products.

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.

Financial Calendar 2024

Publication of Quarterly Financial Statements Q3 2024 and Earnings Call

29 October 2024

Imprint

Editorial Team and Contact

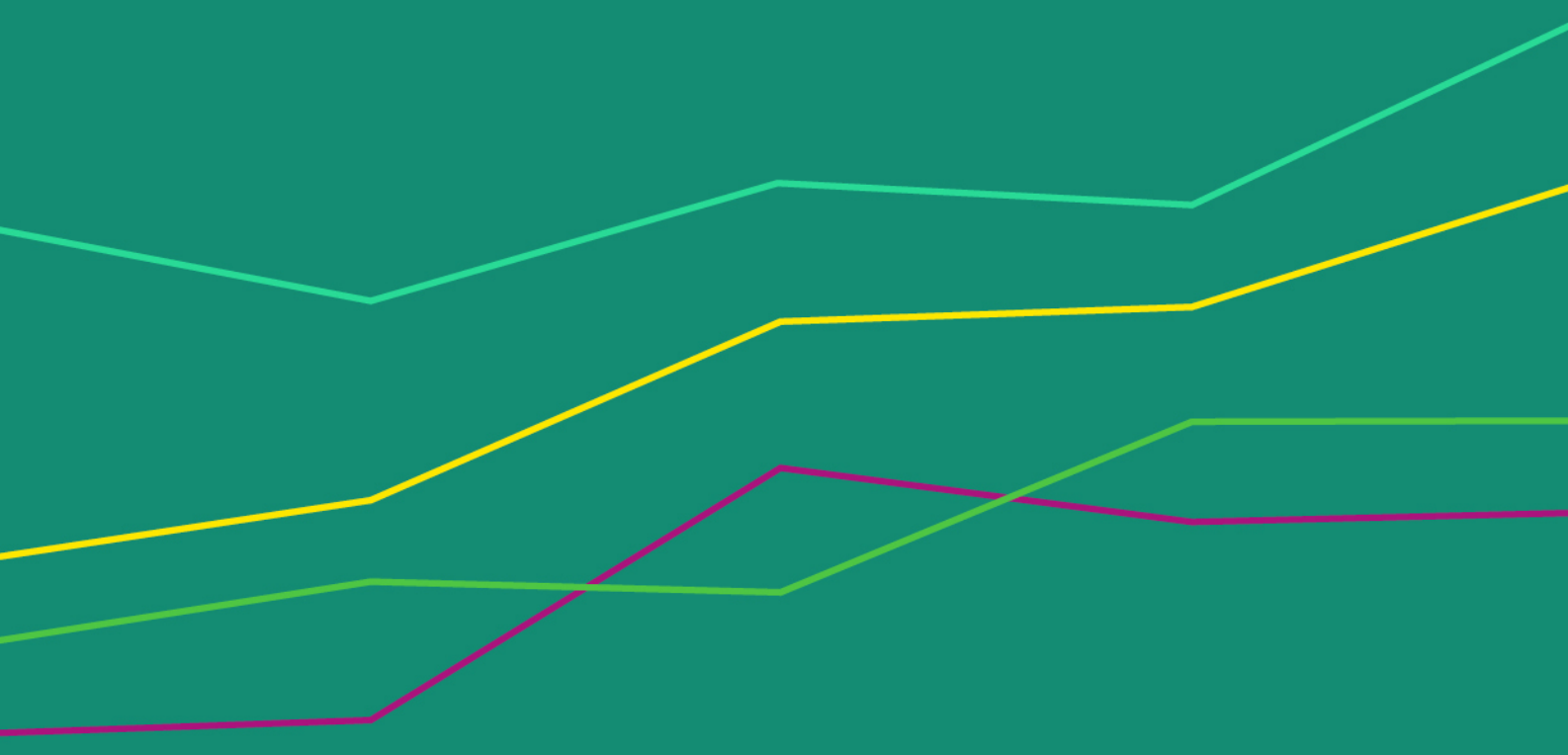
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