

**HELLOFRESH**  
GROUP

# Quarterly Statement Q3 2023



## HelloFresh at a Glance

Key figures	3 months ended 30-Sep-23	3 months ended 30-Sep-22	YoY change	9 months ended 30-Sep-23	9 months ended 30-Sep-22	YoY change
<b>Key Performance Indicators</b>						
<b>Group</b>						
Active customers (in millions)	7.07	7.51	(5.9 %)			
Number of orders (in millions)	27.99	29.03	(3.6 %)	90.81	95.87	(5.3 %)
Orders per customer	3.96	3.87	2.3 %			
Meals (in millions)	236.6	243.3	(2.7 %)	768.7	800.4	(4.0 %)
Average order value (EUR) (excl. retail)	64.2	63.7	0.7 %	62.9	59.5	5.7 %
Average order value constant currency (EUR) (excl. retail)	68.5	63.7	7.5 %	64.4	59.5	8.3 %
<b>North America<sup>1</sup></b>						
Active customers (in millions)	3.95	4.15	(4.9 %)			
Number of orders (in millions)	16.04	16.64	(3.6 %)	52.04	54.77	(5.0 %)
Orders per customer	4.06	4.01	1.2 %			
Meals (in millions)	128.3	131.2	(2.2 %)	417.5	430.6	(3.0 %)
Average order value (EUR) (excl. retail)	74.9	75.0	(0.0 %)	73.1	68.4	6.8 %
Average order value constant currency (EUR) (excl. retail)	81.1	75.0	8.2 %	74.6	68.4	9.1 %
<b>International<sup>1</sup></b>						
Active customers (in millions)	3.12	3.36	(7.2 %)			
Number of orders (in millions)	11.95	12.39	(3.5 %)	38.77	41.09	(5.7 %)
Orders per customer	3.83	3.68	4.1 %			
Meals (in millions)	108.4	112.1	(3.3 %)	351.2	369.8	(5.0 %)
Average order value (EUR) (excl. retail)	49.7	48.6	2.2 %	49.3	47.6	3.5 %
Average order value constant currency (EUR) (excl. retail)	51.5	48.6	5.9 %	50.7	47.6	6.6 %

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

Key figures	3 months ended 30-Sep-23	3 months ended 30-Sep-22	YoY change	9 months ended 30-Sep-23	9 months ended 30-Sep-22	YoY change
<b>Results of operations</b>						
<b>Group</b>						
Revenue (in MEUR)	1,804.0	1,860.2	(3.0 %)	5,737.6	5,732.7	0.1 %
Revenue constant currency (in MEUR)	1,926.0	1,860.2	3.5 %	5,878.3	5,732.7	2.5 %
Contribution margin (in MEUR) <sup>1</sup>	461.0	454.9	1.3 %	1,537.4	1,437.9	6.9 %
Contribution margin (in % of revenue) <sup>1</sup>	25.6 %	24.5 %	1.1 pp	26.8 %	25.1 %	1.7 pp
AEBITDA (in MEUR)	69.2	71.8	(3.7 %)	327.2	317.1	3.2 %
AEBITDA (in % of revenue)	3.8 %	3.9 %	(0.0 pp)	5.7 %	5.5 %	0.2 pp
<b>North America <sup>2</sup></b>						
Revenue (in MEUR) <sup>3</sup>	1,201.7	1,247.6	(3.7 %)	3,801.8	3,747.2	1.5 %
Revenue constant currency (in MEUR)	1,301.3	1,247.6	4.3 %	3,884.4	3,747.2	3.7 %
Contribution margin (in MEUR) <sup>1</sup>	330.8	320.8	3.1 %	1,115.4	1,000.0	11.5 %
Contribution margin (in % of revenue) <sup>1</sup>	27.3 %	25.6 %	1.7 pp	29.1 %	26.6 %	2.6 pp
AEBITDA (in MEUR)	83.3	80.8	3.1 %	326.6	293.3	11.3 %
AEBITDA (in % of revenue)	6.9 %	6.4 %	0.4 pp	8.5 %	7.8 %	0.7 pp
<b>International <sup>2</sup></b>						
Revenue (in MEUR) <sup>3</sup>	602.3	612.6	(1.7 %)	1,935.8	1,985.3	(2.5 %)
Revenue constant currency (in MEUR)	624.7	612.6	2.0 %	1,993.9	1,985.3	0.4 %
Contribution margin (in MEUR) <sup>1</sup>	144.9	145.7	(0.5 %)	464.7	465.4	(0.2 %)
Contribution margin (in % of revenue) <sup>1</sup>	23.8 %	23.6 %	0.2 pp	23.8 %	23.3 %	0.5 pp
AEBITDA (in MEUR)	23.7	26.7	(11.2 %)	111.4	119.7	(6.9 %)
AEBITDA (in % of revenue)	3.9 %	4.3 %	(0.4 pp)	5.7 %	6.0 %	(0.3 pp)
<b>Group Financial Position</b>						
Operating working capital (in MEUR)	(374.3)	(368.4)		(374.3)	(368.4)	
Cash flow from operating activities (in MEUR)	73.0	88.1		280.3	265.2	
Free cash flow (excl. repayment of lease liabilities)(in MEUR)	6.5	(37.1)		44.5	(46.7)	
Free cash flow per diluted share (in EUR)	0.04	(0.21)		0.25	(0.26)	
Cash and cash equivalents (in MEUR)	466.6	603.7		466.6	603.7	

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

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

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

## HelloFresh delivers re-acceleration of growth in Q3 across both segments:

- Revenue of EUR 1.8bn, a constant currency revenue growth of 3.5%, implying a sequential re-acceleration for the Group and for each segment.
- Further increase in average order value to EUR 64.2 (+7.5 % YoY on CC), the highest level ever.
- EUR 69.2m AEBITDA, a margin of 3.8%.
- Goodyear (Arizona, US) Factor site successfully launched in September, ramp-up started according to plan.
- Positive FCF in Q3 and for the nine months to September.
- Up to MEUR 150 earmarked for share buyback, and opportunistic smaller purchases of extant convertible bond.

## Financial Performance of the Group

## Consolidated income statement for the third quarter 2023 ended 30 September

In MEUR	3 months ended			9 months ended		
	30-Sep-23	30-Sep-22 <sup>1</sup>	YoY	30-Sep-23	30-Sep-22 <sup>1</sup>	YoY
Revenue	1,804.0	1,860.2	(3.0 %)	5,737.6	5,732.7	0.1 %
Procurement expenses	(634.4)	(644.5)	(1.6 %)	(2,005.5)	(1,978.1)	1.4 %
% of revenue	(35.2 %)	(34.6 %)	(0.5 pp)	(35.0 %)	(34.5 %)	(0.4 pp)
Fulfilment expenses	(715.6)	(768.0)	(6.8 %)	(2,218.7)	(2,337.5)	(5.1 %)
% of revenue	(39.7 %)	(41.3 %)	1.6 pp	(38.7 %)	(40.8 %)	2.1 pp
Contribution margin	454.1	447.6	1.4 %	1,513.4	1,417.0	6.8 %
% of revenue	25.2 %	24.1 %	1.1 pp	26.4 %	24.7 %	1.7 pp
Contribution margin (excl. SBC)	461.0	454.9	1.3 %	1,537.4	1,437.9	6.9 %
% of revenue	25.6 %	24.5 %	1.1 pp	26.8 %	25.1 %	1.7 pp
Marketing expenses	(352.4)	(333.8)	5.6 %	(1,083.8)	(980.7)	10.5 %
% of revenue	(19.5 %)	(17.9 %)	(1.6 pp)	(18.9 %)	(17.1 %)	(1.8 pp)
Marketing expenses (excl. SBC)	(349.8)	(331.2)	5.6 %	(1,074.9)	(972.9)	10.5 %
% of revenue	(19.4 %)	(17.8 %)	(1.6 pp)	(18.7 %)	(17.0 %)	(1.8 pp)
General and administrative expenses, other operating income and expenses	(114.5)	(110.0)	4.1 %	(350.8)	(288.6)	21.6 %
% of revenue	(6.3 %)	(5.9 %)	(0.4 pp)	(6.1 %)	(5.0 %)	(1.1 pp)
General and administrative expenses, other operating income and expenses (excl. SBC)	(100.2)	(102.8)	(2.5 %)	(315.0)	(276.6)	13.9 %
% of revenue	(5.6 %)	(5.5 %)	0.0 pp	(5.5 %)	(4.8 %)	(0.7 pp)
EBIT	(12.9)	3.8	(442.6 %)	78.8	147.7	(46.7 %)
% of revenue	(0.7 %)	0.2 %	(0.9 pp)	1.4 %	2.6 %	(1.2 pp)
Depreciation and amortization	55.1	44.6	23.6 %	156.9	113.1	38.7 %
EBITDA	42.2	48.4	(12.9 %)	235.6	260.9	(9.7 %)
% of revenue	2.3 %	2.6 %	(0.3 pp)	4.1 %	4.6 %	(0.4 pp)
Special items	3.2	6.4	(51.1 %)	22.8	15.7	45.5 %
Share-based compensation expenses	23.8	17.0	39.9 %	68.8	40.5	69.7 %
AEBITDA	69.2	71.8	(3.7 %)	327.2	317.1	3.2 %
% of revenue	3.8 %	3.9 %	(0.0 pp)	5.7 %	5.5 %	0.2 pp
AEBIT	14.1	27.2	(48.3 %)	170.4	204.0	(16.5 %)
% of revenue	0.8 %	1.5 %	(0.7 pp)	3.0 %	3.6 %	(0.6 pp)

<sup>1</sup> Adjusted, refer to Annual Report 2022 [Note 3](#) (Cash-settled share based compensation).

During the third quarter of 2023, the group's revenues amounted to MEUR 1,804.0, compared to MEUR 1,860.2, in the same quarter 2022. On a constant currency basis, this represents a revenue growth of 3.5% compared to the same quarter of 2022, which corresponds to a sequential re-acceleration compared to the prior quarter. The difference between Euro-reported revenue and the underlying growth on a constant currency basis is primarily due to a year-on-year weakening of the US Dollar, the Australian Dollar and the Swedish Krona vs. the Euro compared to the same period last year.

The Q3 constant currency growth rate of 3.5% is the result of (i) lower active customers by 5.9 %, reaching 7.07 m compared to 7.51 m in the same quarter 2022 (of which an estimated 0.14 m were customers of more than one brand of the HelloFresh Group counting each as two or more active customers, in both years), more than offset by (ii) a 2.3 % increase in number of orders per customer and (iii) a meaningful increase in average order value of 7.5 % on a constant currency basis.

Contribution margin (excluding share-based compensation expenses) as a percentage of revenue in the third quarter 2023 increased to 25.6 % compared to 24.5 % in the third quarter 2022. Procurement expenses as percentage of revenue slightly increased to 35.2 % in Q3 2023, compared to 34.6 % in the same quarter 2022, due to (i) certain inflationary cost increases in ingredient pricing, and (ii) a higher share of ready-to-eat, which includes meal production cost in procurement expenses that are not incurred for meal-kit production. Fulfilment expenses as percentage of revenue

improved by 1.6 pp in Q3 2023, primarily driven by improved productivity in the fulfilment centers of the North America segment, efficiencies and other areas, such as shipping and a higher share of RTE volume, which has lower pick & pack expenses.

Marketing expenses (excluding shared-based compensation expenses) as percentage of revenue increased by 1.6 pp to 19.4% in this quarter compared to 17.8 % in the same quarter 2022. Q3 marketing expenses are primarily driven by the seasonal marketing activity in September, after the summer holiday period.

General and administrative expenses, and other operating income and expenses as percentage of revenue increased from 5.9 % in Q3 2022 to 6.3 % in Q3 2023. In absolute terms, it represents an increase from MEUR 110.0 in the third quarter 2022 to MEUR 114.5 in the current quarter. General and administrative expenses, and other operating income and expenses (excluding share-based compensation expenses) as percentage of revenue remained stable at 5.6 % in Q3 2023. Key driver for the variance is the full run-rate effect of further build out of key functions in 2022, especially our tech and data teams, which are now largely concluded.

The Group reported EBIT of MEUR (12.9) in Q3 2023, compared to MEUR 3.8 in the same period 2022. This is a result of the factors described above.

Special items for Q3 2023 mainly relate to reorganization initiatives in the US and the UK, and the acquisition related management incentive programs that are in place for Factor.

Share-based compensation expenses amount to MEUR 23.8 in the third quarter of 2023, compared to MEUR 17.0 in the same quarter of 2022. The increase is mainly caused by the negative revaluation impact of certain cash-settled plans in Q3 2023, which had a positive revaluation impact in the comparative period Q3 2022.

AEBITDA amounts to MEUR 69.2, a positive margin of 3.8 %, compared to MEUR 71.8, and a margin of 3.9% in Q3 2022.

AEBIT amounts to MEUR 14.1, a positive margin of 0.8 %, compared to MEUR 27.2, and a margin of 1.5% in Q3 2022.

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

In MEUR	3 months ended			9 months ended		
	30-Sep-23	30-Sep-22 <sup>2</sup>	YoY	30-Sep-23	30-Sep-22 <sup>2</sup>	YoY
Revenue (total)	1,211.2	1,254.4	(3.4 %)	3,828.5	3,764.4	1.7 %
Revenue (external)	1,201.7	1,247.6	(3.7 %)	3,801.8	3,747.2	1.5 %
Procurement expenses	(400.8)	(404.3)	(0.9 %)	(1,248.5)	(1,192.6)	4.7 %
% of revenue	(33.1 %)	(32.2 %)	(0.9 pp)	(32.6 %)	(31.7 %)	(0.9 pp)
Fulfilment expenses	(485.0)	(535.1)	(9.4 %)	(1,483.9)	(1,588.4)	(6.6 %)
% of revenue	(40.0 %)	(42.7 %)	2.6 pp	(38.8 %)	(42.2 %)	3.4 pp
Contribution margin	325.4	315.0	3.3 %	1,096.1	983.3	11.5 %
% of revenue	26.9%	25.1 %	1.8 pp	28.6 %	26.1 %	2.5 pp
Contribution margin (excl. SBC)	330.8	320.8	3.1 %	1,115.4	1,000.0	11.5 %
% of revenue	27.3%	25.6 %	1.7 pp	29.1 %	26.6 %	2.6 pp
Marketing expenses	(236.5)	(225.3)	5.0 %	(746.1)	(662.1)	12.7 %
% of revenue	(19.5 %)	(18.0 %)	(1.6 pp)	(19.5 %)	(17.6 %)	(1.9 pp)
Marketing expenses (excl. SBC)	(234.8)	(223.6)	5.0 %	(740.3)	(657.4)	12.6 %
% of revenue	(19.4 %)	(17.8 %)	(1.6 pp)	(19.3 %)	(17.5 %)	(1.9 pp)
General and administrative expenses, other operating income and expenses	(67.3)	(80.9)	(16.8 %)	(248.4)	(241.8)	2.7 %
% of revenue	(5.6 %)	(6.4 %)	0.9 pp	(6.5 %)	(6.4 %)	(0.1 pp)
Thereof holding fee	(22.7)	(33.9)	(32.9 %)	(104.1)	(118.9)	(12.4 %)
General and administrative expenses, other operating income and expenses (excl. SBC and holding fee)	(40.2)	(44.3)	(9.3 %)	(131.2)	(117.2)	11.9 %
% of revenue	(3.3 %)	(3.5 %)	0.2 pp	(3.4 %)	(3.1 %)	(0.3 pp)
EBIT	21.5	8.9	143.2 %	101.5	79.4	27.8 %
% of revenue	1.8 %	0.7 %	1.1 pp	2.7%	2.1 %	0.5 pp
EBIT (excl. holding fee)	44.3	42.8	3.5 %	205.6	198.3	3.7 %
% of revenue	3.7 %	3.4 %	0.2 pp	5.4 %	5.3 %	0.1 pp
Depreciation and amortization	26.0	23.6	10.1 %	70.7	57.6	22.6 %
EBITDA (excl. holding fee)	70.3	66.4	5.9 %	276.3	255.9	7.9 %
% of revenue	5.8 %	5.3 %	0.5 pp	7.2 %	6.8 %	0.4 pp
Special items	1.6	4.3	(63.9 %)	11.9	10.3	15.6 %
Share-based compensation expenses	11.5	10.1	13.7 %	38.4	27.1	41.8 %
AEBITDA	83.3	80.8	3.1 %	326.6	293.3	11.3 %
% of revenue	6.9 %	6.4 %	0.4 pp	8.5 %	7.8 %	0.7 pp
AEBIT	57.3	57.2	0.2 %	255.9	235.7	8.6 %
% of revenue	4.7 %	4.6 %	0.2 pp	6.7 %	6.3 %	0.4 pp

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

<sup>2</sup> Adjusted, refer to Annual Report 2022 [Note 3](#) (Cash-settled share based compensation).

External revenue of the North America segment, which as of this year includes HelloFresh's Canadian operations (previously included in the International segment; comparative period adjusted accordingly), decreased on a Euro-reported basis by 3.7 % from MEUR 1,247.6 in the third quarter of 2022 to MEUR 1,201.7 in the current quarter of 2023. On a constant currency basis, this represents a positive 4.3 % growth rate, driven by an increase in average order value in constant currency by 8.2 % in the third quarter 2023 compared with the third quarter of 2022. This increase is partially offset by a decrease in active customers by 4.9% from 4.15m in the third quarter of 2022 to 3.95m in the same quarter 2023. Total meals delivered by our North America segment decreased by 2.2 %, from 131.2m in third quarter of 2022 to 128.3m in third quarter of 2023.

Contribution margin (excluding share-based compensation expenses) as a percentage of revenue increased by 1.7 pp to 27.3 % in Q3 2023 compared to 25.6% in the same period of 2022 based on factors described earlier for the Group.

In line with the trend on Group level, marketing expenses in the North America segment (excluding share-based compensation expenses) as a percentage of revenue increased from 17.8 % in the third quarter of 2022 to 19.4 % in the same period of 2023, reflecting an increase of 1.6 pp.

General and administrative expenses, other operating income and expenses (excluding share-based compensation expenses and holding fee) as percentage of revenue slightly decreased by 0.2 pp to 3.3 % compared to 3.5 % in the third quarter of 2022.

Reported EBIT (excluding holding fee) increased to MEUR 44.3 in Q3 2023, a positive margin of 3.7 %, compared to MEUR 42.8, a positive margin of 3.4 % in the third quarter of 2022. This is a result of the factors described above.

AEBITDA amounts to MEUR 83.3, reflecting a positive margin of 6.9 %, compared to MEUR 80.8, a margin of 6.4 % in the third quarter of 2022.

AEBIT for the third quarter 2023 amounts to MEUR 57.3, a positive margin of 4.7 %, compared to MEUR 57.2, a margin of 4.6 % in the third quarter of 2022.

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

In MEUR	3 months ended			9 months ended		
	30-Sep-23	30-Sep-22 <sup>2</sup>	YoY	30-Sep-23	30-Sep-22 <sup>2</sup>	YoY
Revenue (total)	609.1	618.1	(1.5 %)	1,955.0	1,998.1	(2.2 %)
Revenue (external)	602.3	612.6	(1.7 %)	1,935.8	1,985.3	(2.5 %)
Procurement expenses	(233.3)	(240.2)	(2.9 %)	(755.7)	(785.5)	(3.8 %)
% of revenue	(38.3 %)	(38.9 %)	0.6 pp	(38.7 %)	(39.3 %)	0.6 pp
Fulfilment expenses	(231.7)	(233.3)	(0.7 %)	(737.0)	(750.1)	(1.7 %)
% of revenue	(38.0 %)	(37.7 %)	(0.3 pp)	(37.7 %)	(37.5 %)	(0.2 pp)
Contribution margin	144.1	144.6	(0.3 %)	462.3	462.5	(0.0 %)
% of revenue	23.7 %	23.4 %	0.3 pp	23.6 %	23.1 %	0.5 pp
Contribution margin (excl. SBC)	144.9	145.7	(0.5 %)	464.7	465.4	(0.2 %)
% of revenue	23.8 %	23.6 %	0.2 pp	23.8 %	23.3 %	0.5 pp
Marketing expenses	(111.8)	(107.3)	4.2 %	(326.2)	(311.3)	4.8 %
% of revenue	(18.4 %)	(17.4 %)	(1.0 pp)	(16.7 %)	(15.6 %)	(1.1 pp)
Marketing expenses (excl. SBC)	(111.4)	(106.8)	4.3 %	(325.0)	(309.9)	4.9 %
% of revenue	(18.3 %)	(17.3 %)	(1.0 pp)	(16.6 %)	(15.5 %)	(1.1 pp)
General and administrative expenses, other operating income and expenses	(44.3)	(46.4)	(4.5 %)	(141.8)	(133.4)	6.3 %
% of revenue	(7.3 %)	(7.5 %)	0.2 pp	(7.3 %)	(6.7 %)	(0.6 pp)
Thereof Holding fee	(9.8)	(17.4)	(43.7 %)	(39.8)	(59.4)	(33.0 %)
General and administrative expenses, other operating income and expenses (excl. SBC and holding fee)	(29.7)	(30.1)	(1.3 %)	(95.2)	(84.1)	13.2 %
% of revenue	(4.9 %)	(4.9 %)	0.0 pp	(4.9 %)	(4.2 %)	(0.7 pp)
EBIT	(12.1)	(9.0)	34.4 %	(5.7)	17.8	(132.0 %)
% of revenue	(2.0 %)	(1.5 %)	(0.5 pp)	(0.3 %)	0.9 %	(1.2 pp)
EBIT (excl. holding fee)	(2.3)	8.3	(127.7 %)	34.1	77.3	(55.9 %)
% of revenue	(0.4 %)	1.3 %	(1.7 pp)	1.7 %	3.9 %	(2.2 pp)
Depreciation and amortization	18.7	16.6	12.7 %	58.2	44.7	30.2 %
EBITDA (excl. holding fee)	16.4	24.9	(34.1 %)	92.3	122.0	(24.3 %)
% of revenue	2.7 %	4.0 %	(1.3 pp)	4.7 %	6.1 %	(1.4 pp)
Special items	1.3	1.4	7.1 %	8.7	3.6	141.7 %
Share-based compensation expenses	6.0	0.4	nm	10.4	(5.9)	(276.3 %)
AEBITDA	23.7	26.7	(11.2 %)	111.4	119.7	(6.9 %)
% of revenue	3.9 %	4.3 %	(0.4 pp)	5.7 %	6.0 %	(0.3 pp)
AEBIT	5.0	10.1	(50.5 %)	53.2	75.0	(29.1 %)
% of revenue	0.8 %	1.6 %	(0.8 pp)	2.7 %	3.8 %	(1.1 pp)

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

<sup>2</sup> Adjusted, refer to Annual Report 2022 [Note 3](#) (Cash-settled share based compensation).

In the third quarter of 2023, external Euro-reported revenue of the International segment decreased by 1.7 % from MEUR 612.6 to MEUR 602.3, compared to the third quarter of 2022. On a constant currency basis, this represents a positive 2.0 % growth rate. In line with the trend described for the Group, average order value in constant currency increased strongly by 5.9 % in the third quarter of 2023 in comparison to the third quarter of 2022. The increase was partially offset by a decrease in active customers from 3.36m in Q3 2022 to 3.12m in Q3 2023, which led to a slight decrease in the number of meals delivered (108.4m in the third quarter of 2023 compared to 112.1m in Q3 2022).

Contribution margin (excluding share-based compensation expenses) of the International segment as a percentage of revenue increased by 0.2 pp in the third quarter of 2023 to 23.8 % from 23.6 % in the third quarter of 2022. This was primarily driven by the trends described earlier for the Group, and certain geographic mix effects within the segment.

Marketing expenses (excluding share-based compensation expenses) as a percentage of revenue increased slightly from 17.3 % in the third quarter of 2022 to 18.3 % in the third quarter 2023, driven by the factors described on Group level.

General and administrative expenses, other operating income and expenses (excluding share-based compensation expenses and holding fee) as a percentage of revenue have not changed in comparison to Q3 2022, and remained at 4.9% in Q3 2023.

Reported EBIT (excluding holding fee) amounts to MEUR (2.3) in Q3 2023, reflecting a negative margin of (0.4 %), compared to a positive margin of 1.3 % in Q3 2022. This is a result of the factors described above.

AEBITDA amounts to MEUR 23.7, reflecting a margin of 3.9 %, compared to a margin of 4.3 % in the third quarter of 2022.

AEBIT amounts to MEUR 5.0, reflecting a positive margin of 0.8 %, compared to a margin of 1.6 % in Q3 2022.

## Share-Based Compensation Expenses

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 consideration. Additionally, the Group operates cash-settled compensation plans for local senior management of certain newly launched businesses.

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

In MEUR	3 months ended		9 months ended	
	30-Sep-23	30-Sep-22 <sup>1</sup>	30-Sep-23	30-Sep-22 <sup>1</sup>
Equity-settled plans	19.5	19.6	66.0	56.6
Cash-settled plans	4.4	(2.6)	2.7	(16.1)
<b>Total</b>	<b>23.8</b>	<b>17.0</b>	<b>68.8</b>	<b>40.5</b>

<sup>1</sup> Adjusted, refer to Annual Report 2022 **Note 3** (Cash-settled share based compensation).

Share-based compensation expenses have increased year-on-year in comparison to the third quarter 2022. The increase is mainly driven by the negative revaluation impact of the cash-settled plans in Q3 2023, which had a positive revaluation impact in the comparative period Q3 2022.

A breakdown of the vested and unvested share awards of the equity-settled plan is shown in the table below:

Employee Incentive Plan	Options	RSU	Total
Vested (in mn)	8.5	0.3	8.8
WAEP (in EUR) - vested shares	19.57	—	18.81
Unvested (in mn)	4.0	3.3	7.3
WAEP (in EUR) - unvested shares	30.26	—	16.67
Total outstanding (in mn)	12.5	3.6	16.1
WAEP (in EUR)	23.03	—	17.84

## EBIT to AEBITDA

In MEUR	3 months ended 30-Sep-23	3 months ended 30-Sep-22 <sup>1</sup>	YoY	9 months ended 30-Sep-23	9 months ended 30-Sep-22 <sup>1</sup>	YoY
<b>EBIT</b>	<b>(12.9)</b>	<b>3.8</b>	<b>(442.6 %)</b>	<b>78.8</b>	<b>147.7</b>	<b>(46.7 %)</b>
Depreciation and amortization	55.1	44.6		156.9	113.1	
<b>EBITDA</b>	<b>42.2</b>	<b>48.4</b>	<b>(12.9 %)</b>	<b>235.6</b>	<b>260.9</b>	<b>(9.7 %)</b>
Special items	3.2	6.4		22.8	15.7	
Share-based compensation	23.8	17.0		68.8	40.5	
<b>AEBITDA</b>	<b>69.2</b>	<b>71.8</b>	<b>(3.7 %)</b>	<b>327.2</b>	<b>317.1</b>	<b>3.2 %</b>
<b>AEBITDA margin</b>	<b>3.8 %</b>	<b>3.9 %</b>	<b>(0.0 pp)</b>	<b>5.7 %</b>	<b>5.5 %</b>	<b>0.2 pp</b>
<b>AEBIT</b>	<b>14.1</b>	<b>27.2</b>	<b>(48.3 %)</b>	<b>170.4</b>	<b>204.0</b>	<b>(16.5 %)</b>
<b>AEBIT margin</b>	<b>0.8 %</b>	<b>1.5 %</b>	<b>(0.7 pp)</b>	<b>3.0 %</b>	<b>3.6 %</b>	<b>(0.6 pp)</b>

<sup>1</sup> Adjusted, refer to Annual Report 2022 **Note 3** (Cash-settled share based compensation).

## Cash Flow

In MEUR	3 months ended 30-Sep-23	3 months ended 30-Sep-22	9 months ended 30-Sep-23	9 months ended 30-Sep-22
<b>Cash and cash equivalents at the beginning of the period</b>	<b>464.5</b>	<b>642.2</b>	<b>504.0</b>	<b>827.1</b>
Net Cash flows from operating activities	73.0	88.1	280.3	265.2
Net Cash flows from investing activities	(66.1)	(122.8)	(269.4)	(337.3)
Thereof related to acquisition of companies	—	—	(34.5)	(24.8)
Net Cash flows financing activities	(9.2)	(15.3)	(48.2)	(183.5)
Effects of exchange rate changes and other changes on cash and cash equivalents	4.4	11.5	(0.1)	32.2
<b>Cash and cash equivalents at the end of the period</b>	<b>466.6</b>	<b>603.7</b>	<b>466.6</b>	<b>603.7</b>

Cash flow from operating activities in Q3 2023 amounted to MEUR 73.0, compared to MEUR 88.1 in the same quarter 2022. This is mainly driven by the loss of the period for MEUR 11.5, compared to a profit in Q3 2022 of MEUR 4.7.

Cash flow from investing activities represents a cash outflow of MEUR 66.1 in the third quarter 2023. The outflow decreased due to a year-on-year reduction in Capex, as several of 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 this quarter.

The cash outflow used in financing activities of MEUR 9.2 in Q3 2023 primarily consists of lease principal repayments (in accordance with IFRS 16).

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

In MEUR	3 months ended 30-Sep-23	3 months ended 30-Sep-22	9 months ended 30-Sep-23	9 months ended 30-Sep-22
Cash Flow from operating activities	73.0	88.1	280.3	265.2
Net capital expenditure	(66.5)	(125.2)	(235.8)	(311.9)
<b>Free Cash Flow for the period</b> (excl. repayment of lease liabilities)	<b>6.5</b>	<b>(37.1)</b>	<b>44.5</b>	<b>(46.7)</b>
Repayment of lease liability (excl. interest)	(9.4)	(15.2)	(48.1)	(40.0)
<b>Free Cash Flow for the period</b> (incl. repayment of lease liabilities)	<b>(2.9)</b>	<b>(52.3)</b>	<b>(3.6)</b>	<b>(86.7)</b>

HelloFresh maintained a strong cash level to MEUR 466.6. In addition, the Company has a revolving credit facility of MEUR 400.0 of which MEUR 363.4 were not utilized, and were available at the end of the third quarter 2023.

## Outlook

The Company maintains its outlook provided on 9 August 2023 for the fiscal year 2023: a constant currency revenue growth of c. 2% to 8%, and AEBITDA between MEUR 470 and MEUR 540.

## Events after the reporting period

Up to MEUR 150 earmarked for share buyback, and opportunistic smaller purchases of extant convertible bonds.

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

Berlin, 26 October 2023

**Dominik Richter**

Chief Executive  
Officer

**Thomas Griesel**

Chief Executive  
Officer International

**Christian Gärtner**

Chief Financial  
Officer

**Edward Boyes**

Chief Commercial  
Officer

## Consolidated Statement of Financial Position as of 30 September 2023

In MEUR	As at 30-Sep-23	As at 31-Dec-22
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,319.1	1,165.8
Intangible assets	116.7	100.2
Goodwill	284.9	284.7
Other financial assets	21.3	20.4
Other non-financial assets	0.7	0.4
Deferred income tax assets	57.6	51.5
<b>Total non-current assets</b>	<b>1,800.3</b>	<b>1,623.0</b>
<b>Current assets</b>		
Inventories	227.0	266.7
Trade receivables	18.6	21.0
Other financial assets	15.8	12.3
Other non-financial assets	129.3	108.2
Cash and cash equivalents	466.6	504.0
<b>Total current assets</b>	<b>857.3</b>	<b>912.2</b>
<b>Total assets</b>	<b>2,657.6</b>	<b>2,535.2</b>

## Consolidated Statement of Financial Position (continued)

as of 30 September 2023

In MEUR	As at 30-Sep-23	As at 31-Dec-22
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	172.7	171.9
Treasury shares	(1.3)	(1.3)
Capital reserves	356.3	356.1
Other reserves	203.0	138.4
Retained earnings	324.6	294.4
Other comprehensive income	4.0	2.2
<b>Equity attributable to the Company's shareholders</b>	<b>1,059.3</b>	<b>961.7</b>
Non-controlling interests	(2.9)	(2.1)
<b>Total equity</b>	<b>1,056.4</b>	<b>959.6</b>
<b>Non-current liabilities</b>		
Other financial liabilities	450.0	416.8
Deferred income tax liability	9.7	4.2
Long-term debt	165.1	160.8
Provisions	31.9	23.2
Other non-financial liabilities	—	0.1
<b>Total non-current liabilities</b>	<b>656.7</b>	<b>605.1</b>
<b>Current liabilities</b>		
Trade payables (incl. Capex payables)	568.9	557.6
Other financial liabilities	111.9	130.9
Provisions	19.3	30.3
Deferred revenue	135.2	103.2
Income tax liabilities	13.7	49.3
Other non-financial liabilities	95.5	99.2
<b>Total current liabilities</b>	<b>944.5</b>	<b>970.5</b>
<b>Total equity and liabilities</b>	<b>2,657.6</b>	<b>2,535.2</b>

## Consolidated Statement of Comprehensive Income for the period ended as of 30 September 2023

In MEUR	3 months ended		9 months ended	
	30-Sep-23	30-Sep-22 <sup>1</sup>	30-Sep-23	30-Sep-22 <sup>1</sup>
Revenue	1,804.0	1,860.2	5,737.6	5,732.7
Procurement expenses	(634.4)	(644.5)	(2,005.5)	(1,978.1)
Fulfilment expenses	(715.6)	(768.0)	(2,218.7)	(2,337.5)
Marketing expenses	(352.4)	(333.8)	(1,083.8)	(980.7)
General and administrative expenses	(105.6)	(96.5)	(314.0)	(256.8)
Other operating income	4.8	2.0	10.3	9.5
Other operating expenses	(13.7)	(15.5)	(47.1)	(41.3)
<b>Operating (loss) profit</b>	<b>(12.9)</b>	<b>3.9</b>	<b>78.8</b>	<b>147.8</b>
Interest income	1.7	0.9	4.9	1.2
Interest expense	(8.6)	(7.0)	(26.1)	(17.5)
Other finance income	1.0	23.1	6.6	53.9
Other finance expenses	6.6	(3.3)	(4.5)	(7.8)
<b>Profit (loss) before income tax expense</b>	<b>(12.2)</b>	<b>17.6</b>	<b>59.7</b>	<b>177.6</b>
Income tax expense	0.7	(12.9)	(30.2)	(69.9)
<b>Profit (loss) for the period</b>	<b>(11.5)</b>	<b>4.7</b>	<b>29.5</b>	<b>107.7</b>
attributable to:				
Owners of the Company	(11.1)	5.2	30.3	108.9
Non-controlling interests	(0.3)	(0.5)	(0.8)	(1.2)
<b>Other comprehensive income (loss):</b>				
<b>Items that will be subsequently reclassified to profit or loss when specific conditions are met</b>				
Exchange differences on translation to presentation currency, net of tax	9.8	14.8	1.1	33.5
Fair value remeasurement of financial instrument, net of tax	0.5	2.8	0.3	2.8
<b>Other comprehensive income for the period</b>	<b>10.3</b>	<b>17.6</b>	<b>1.4</b>	<b>36.3</b>
<b>Total comprehensive income (loss) for the period</b>	<b>(1.2)</b>	<b>22.3</b>	<b>30.9</b>	<b>144.0</b>
<b>Total comprehensive income (loss) attributable to:</b>				
Owners of the Company	(0.8)	22.8	31.7	145.2
Non-controlling interests	(0.3)	(0.5)	(0.8)	(1.2)
<b>Basic earnings per share (in EUR)</b>	<b>(0.06)</b>	<b>0.03</b>	<b>0.18</b>	<b>0.63</b>
<b>Diluted earnings per share (in EUR)</b>	<b>(0.06)</b>	<b>0.01</b>	<b>0.17</b>	<b>0.53</b>

<sup>1</sup> Adjusted, refer to Annual Report 2022 **Note 3** (Cash-settled share based compensation).

## Consolidated Statement of Cash Flows for the period ended as of 30 September 2023

In MEUR	3 months ended		9 months ended	
	30-Sep-23	30-Sep-22 <sup>1</sup>	30-Sep-23	30-Sep-22 <sup>1</sup>
<b>Cash flow from operating activities</b>				
Profit (loss) for the period	(11.5)	4.7	29.5	107.7
Adjustments for:				
Interest expense	8.6	7.0	26.1	17.5
Interest income	(1.7)	(0.9)	(4.9)	(1.2)
Other finance income	(1.0)	(23.1)	(6.6)	(53.9)
Other finance expenses	(6.6)	3.3	4.5	7.8
Income tax	(0.7)	12.9	30.2	69.9
Income tax paid	(8.8)	(13.0)	(78.2)	(118.7)
Depreciation of property, plant and equipment	21.1	18.2	60.3	47.4
Depreciation of right-of-use assets	24.2	20.7	71.0	50.6
Amortization of intangible assets	9.8	5.6	25.6	15.2
Loss on disposal of fixed assets	—	0.1	2.3	—
Share-based payment expense	23.8	17.0	68.8	40.5
Other non-cash transactions	(11.4)	2.4	(8.7)	3.1
(Decrease) / increase in provisions	(1.3)	2.0	(2.3)	4.2
Changes in working capital related to operating activities				
(Increase) / decrease in trade receivables	0.5	3.5	2.1	5.0
(Increase) / decrease in inventories	1.7	(0.7)	39.9	(22.8)
Increase / (decrease) in trade and other payables	51.3	34.9	24.8	104.2
Increase / (decrease) in deferred revenue	18.0	26.0	31.7	25.7
Net change in other components of operating working capital	(29.2)	(19.4)	(9.1)	(16.3)
(Increase) / decrease in other financial assets	(0.7)	(0.6)	(4.9)	1.3
(Increase) / decrease in other non-financial assets	(7.5)	3.2	(8.2)	(4.4)
Increase / (decrease) in other financial liabilities	5.3	(3.0)	3.6	(3.7)
Increase / (decrease) in other non-financial liabilities	(5.5)	(6.4)	(0.2)	(0.8)
Interest received	1.8	0.7	4.9	1.0
Interest received (IFRS 16)	0.0	—	0.2	—
Interest paid	(0.6)	(3.5)	(2.0)	(6.1)
Interest paid (IFRS 16)	(6.6)	(3.5)	(20.1)	(8.1)
<b>Net cash from operating activities</b>	<b>73.0</b>	<b>88.1</b>	<b>280.3</b>	<b>265.2</b>

<sup>1</sup> Adjusted, refer to Annual Report 2022 [Note 3](#) (Cash-settled share based compensation).

In MEUR	3 months ended		9 months ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
<b>Cash flow from investing activities</b>				
Payment of contingent purchase price liability	—	—	(34.5)	(24.8)
Purchase of property, plant and equipment	(52.5)	(112.0)	(193.3)	(276.4)
Software development expenditure	(14.0)	(12.2)	(40.0)	(28.8)
Purchase of intangible assets	—	(1.0)	(2.5)	(6.7)
Lease payments received from finance leases (IFRS 16)	0.4	0.5	1.2	1.3
Transfer of cash into restricted cash accounts and deposits	—	(0.3)	(0.8)	(5.2)
Withdrawal of cash from restricted cash accounts and deposits	—	2.2	0.5	3.3
<b>Net cash (used in) investing activities</b>	<b>(66.1)</b>	<b>(122.8)</b>	<b>(269.4)</b>	<b>(337.3)</b>
<b>Cash flow from financing activities</b>				
Repurchase under share buyback program	—	—	—	(125.1)
Proceed from the issuance of share capital	—	—	0.6	—
Repurchase of equity instruments due to share-based compensation	0.2	(0.1)	(0.5)	(16.0)
Repurchase of shares in subsidiaries	—	—	—	(2.4)
Repayment of principal under IFRS 16	(9.4)	(15.2)	(48.1)	(40.0)
<b>Net cash (used in) financing activities</b>	<b>(9.2)</b>	<b>(15.3)</b>	<b>(48.2)</b>	<b>(183.5)</b>
Effects of exchange rate changes and other changes on cash and cash equivalents	4.4	11.5	(0.1)	32.2
<b>Cash and cash equivalents at the beginning of the period</b>	<b>464.5</b>	<b>642.2</b>	<b>504.0</b>	<b>827.1</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>466.6</b>	<b>603.7</b>	<b>466.6</b>	<b>603.7</b>

## Consolidated Segment Statement

The segment information for the 9 months ended 30 September 2023 is set out below:

In MEUR	9-months ended 30-Sep 23					
	North America <sup>1</sup>	Int'l <sup>1</sup>	Total segments	Holding	Conso	Group
Total revenue	3,828.5	1,955.0	5,783.5	425.1	(471.0)	5,737.6
Internal revenue	26.7	19.2	45.9	425.1	(471.0)	—
External revenue	3,801.8	1,935.8	5,737.6	—	—	5,737.6
<b>Contribution margin</b> (excl. SBC)	<b>1,115.4</b>	<b>464.7</b>	<b>1,580.1</b>	<b>396.2</b>	<b>(438.9)</b>	<b>1,537.4</b>
<b>Adjusted EBITDA</b>	<b>326.6</b>	<b>111.4</b>	<b>438.0</b>	<b>(110.8)</b>	<b>—</b>	<b>327.2</b>
Special items <sup>2</sup>	(11.9)	(8.7)	(20.6)	(2.2)	—	(22.8)
Share-based compensation expenses	(38.4)	(10.4)	(48.8)	(20.0)	—	(68.8)
<b>EBITDA</b> (excl. holding fees)	<b>276.3</b>	<b>92.3</b>	<b>368.6</b>	<b>(133.0)</b>	<b>—</b>	<b>235.6</b>
Depreciation and amortization	(70.7)	(58.2)	(128.9)	(28.0)	—	(156.9)
<b>EBIT</b> (excl. holding fees)	<b>205.6</b>	<b>34.1</b>	<b>239.7</b>	<b>(160.9)</b>	<b>—</b>	<b>78.8</b>
Holding fee	(104.1)	(39.8)	(143.9)	143.9	—	—
<b>EBIT</b>	<b>101.5</b>	<b>(5.7)</b>	<b>95.8</b>	<b>(17.0)</b>	<b>—</b>	<b>78.8</b>
Interest income	2.0	1.4	3.4	15.1	(13.6)	4.9
Interest expense	(15.9)	(13.2)	(29.1)	(10.6)	13.6	(26.1)
Other finance income (excl. intercompany dividends)	(0.1)	4.1	4.0	2.5	0.1	6.6
Other finance expenses	1.4	(5.0)	(3.6)	(0.8)	(0.1)	(4.5)
<b>Profit (loss) before tax expenses</b>	<b>88.9</b>	<b>(18.4)</b>	<b>70.5</b>	<b>(10.8)</b>	<b>—</b>	<b>59.7</b>
Income tax expense	(24.7)	(3.8)	(28.5)	(1.7)	—	(30.2)
<b>Profit (loss) for the period</b>	<b>64.2</b>	<b>(22.1)</b>	<b>42.1</b>	<b>(12.6)</b>	<b>—</b>	<b>29.5</b>

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

<sup>2</sup> Special items (excl. share-based compensation expenses) for as of 30 September 2023 mainly relate to reorganization initiatives in the US and the UK, and the acquisition related management earn-out programs that are in place for Factor.

In MEUR	9-months ended 30-Sep 22 <sup>1</sup>					
	North America <sup>2</sup>	Int'l <sup>2</sup>	Total segments	Holding	Conso	Group
Total revenue	3,764.4	1,998.1	5,762.5	402.6	(432.4)	5,732.7
Internal revenue	17.2	12.8	30.0	402.4	(432.4)	—
External revenue	3,747.2	1,985.3	5,732.5	0.2	—	5,732.7
<b>Contribution margin</b> (excl. SBC)	<b>1,000.0</b>	<b>465.4</b>	<b>1,465.4</b>	<b>388.8</b>	<b>(416.3)</b>	<b>1,437.9</b>
<b>Adjusted EBITDA</b>	<b>293.3</b>	<b>119.7</b>	<b>413.0</b>	<b>(95.9)</b>	<b>—</b>	<b>317.1</b>
Special items <sup>3</sup>	(10.3)	(3.6)	(13.9)	(1.8)	—	(15.7)
Share-based compensation expenses	(27.1)	5.9	(21.2)	(19.3)	—	(40.5)
<b>EBITDA</b> (excl. holding fees)	<b>255.9</b>	<b>122.0</b>	<b>377.8</b>	<b>(116.9)</b>	<b>—</b>	<b>260.9</b>
Depreciation and amortization	(57.6)	(44.7)	(102.3)	(10.8)	—	(113.1)
<b>EBIT</b> (excl. holding fees)	<b>198.3</b>	<b>77.3</b>	<b>275.5</b>	<b>(127.7)</b>	<b>—</b>	<b>147.8</b>
Holding fee	(118.9)	(59.4)	(178.3)	179.2	(0.9)	—
<b>EBIT</b>	<b>79.4</b>	<b>17.8</b>	<b>97.2</b>	<b>51.5</b>	<b>(0.9)</b>	<b>147.8</b>
Interest income	0.8	0.2	1.0	0.2	—	1.2
Interest expense	(7.0)	(3.5)	(10.5)	(7.0)	—	(17.5)
Other finance income (excl. intercompany dividends)	40.5	2.7	43.2	15.2	(4.5)	53.9
Other finance expenses	(4.1)	(6.8)	(10.9)	(2.3)	5.4	(7.8)
<b>Profit before tax expenses</b>	<b>109.8</b>	<b>10.4</b>	<b>120.0</b>	<b>57.6</b>	<b>—</b>	<b>177.6</b>
Income tax expense	(31.7)	(13.7)	(45.4)	(24.5)	—	(69.9)
<b>Profit (loss) for the period</b>	<b>78.1</b>	<b>(3.3)</b>	<b>74.8</b>	<b>32.9</b>	<b>—</b>	<b>107.7</b>

<sup>1</sup> Adjusted, refer to Annual Report 2022 [Note 3](#) (Cash-settled share based compensation).

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

<sup>3</sup> Special items (excl. share-based compensation expenses) as of 30 September 2023 mainly relate to reorganization initiatives in the US and the acquisition related management earnout programs that are in place for Factor75 and YouFoodz.

## Earnings per share

The Group reports basic and diluted earnings per share (EPS).

Basic earnings per share is calculated as follows:

	3 months ended 30-Sep-23	3 months ended 30-Sep-22 <sup>1</sup>	9 months ended 30-Sep-23	9 months ended 30-Sep-22 <sup>1</sup>
Net income (loss) for the period attributable to the shareholders of HelloFresh SE (in MEUR)	(11.1)	5.2	30.3	108.9
Basic weighted average number of ordinary shares (in millions)	172.3	171.5	172.3	171.7
<b>Basic earnings per share</b> (in EUR)	<b>(0.06)</b>	<b>0.03</b>	<b>0.18</b>	<b>0.63</b>

Diluted earnings per share is calculated as follows:

	3 months ended 30-Sep-23	3 months ended 30-Sep-22 <sup>1</sup>	9 months ended 30-Sep-23	9 months ended 30-Sep-22 <sup>1</sup>
Net income after dilution for the period attributable to the shareholders of HelloFresh SE (in MEUR)	(11.1)	2.6	30.3	92.8
Weighted average number of diluted shares (in millions)	172.3	176.1	178.5	176.4
<b>Diluted earnings per share</b> (in EUR)	<b>(0.06)</b>	<b>0.01</b>	<b>0.17</b>	<b>0.53</b>

<sup>1</sup> Adjusted, refer to Annual Report 2022 **Note 3** (Cash-settled share based compensation).

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 dividing the net income for the period attributable to the shareholders by the diluted weighted average number of shares.

## Glossary

### Active customers

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

### Adjusted EBIT

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

### Adjusted EBITDA

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

### Average Order Value

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

### Constant Currency

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

### Contribution Margin

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

### Corporate Responsibility

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

### EBIT

EBIT is short for earnings before interest and taxes.

### EBIT Margin

EBIT Margin is EBIT as a percentage of revenue.

### EBITDA

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

### EBITDA Margin

EBITDA Margin is EBITDA as a percentage of revenue.

### Free Cash Flow

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

### Free Cash Flow per diluted share

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

### **Holding fees**

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

### **Net working Capital**

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

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

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

### **Operating working capital**

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

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

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

### **Procurement Expenses**

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

### **Special Items**

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



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