



HelloFresh Nordics ApS

Artillerivej 90, st.

2300 København S

CVR No. 40333371

Annual Report 2020

2. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 June 2021

Thomas Wartmut Griesel
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of HelloFresh Nordics ApS for the financial year 1 January 2020 - 31 December 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 28 June 2021

Executive Board

Thomas Wartmut Griesel
Director

Kristian Hald
Director

HelloFresh Nordics ApS

Company details

Company	HelloFresh Nordics ApS Artillerivej 90, st. 2300 København S
CVR No.	40333371
Date of formation	26 February 2019
Registered office	København
Executive Board	Thomas Wartmut Griesel, Director Kristian Hald, Director

Management's Review

The Company's principal activities

The Company's principal activities are the development, marketing, production, distribution and sale of food and other related business.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK -9.791.706 and the Balance Sheet at 31 December 2020 has balance sheet total of DKK 38.051.335 and an equity of DKK -9.398.240.

Covid-19 so far had no negative impact on HelloFresh Nordics ApS. As HelloFresh Nordics ApS is a young growing company, it is difficult to quantify how much of the revenue growth during 2020 was driven by the increase in e-commerce adoption that resulted from the Covid-19 pandemic.

Uncertainties relating to going concern

The company has lost more than 50% of its share capital and is therefore subject to the rules on capital losses in the company act.

The Company has received a letter of comfort regarding financial support from its parent company, HelloFresh SE, which declares that HelloFresh SE will provide the necessary financial support should the company not be able to fulfil its financial liabilities.

Based on this it is Management's assessment that the Company is going concern.

Accounting Policies

Reporting Class

The Annual Report of HelloFresh Nordics ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts.

Other external expenses

Other external costs include costs for sales, advertising, administration, premises and operating leasing costs etc.

Employee expenses

Employee expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other employee expenses are recognised in other external expenses.

Accounting Policies

Amortisation and impairment of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0%
Leasehold improvements	3 years	0%

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest income and expenses, finance charges in respect of realised and unrealised capital gains and losses regarding transactions in foreign currencies.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite assets is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Tangible assets that are leased and meet the conditions for financial leasing are treated according to the same guidelines as those applying to purchased assets.

The cost of financially leased assets is measured at the lower value of the purchase prices according to the leases and the present value of the lease payments, determined on the basis of the interest rate implicit in the leases.

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. Dividends that exceed accumulated earnings of the group enterprise during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Accounting Policies

Deposits

Deposits are measured at cost.

Inventories

Inventories are measured at cost comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is based on aging buckets of receivables.

Prepaid expenses

Prepaid expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Payables

Payables are measured at amortised cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2020 DKK	2019 DKK
Gross profit		2.020.720	2.822.939
Employee benefits expense	1	-13.296.543	-2.802.723
Depreciation, amortisation expense and impairment losses of tangible assets recognised in profit or loss		-530.974	-3.215
Profit from ordinary operating activities		-11.806.797	17.001
Other finance income from group enterprises		42.431	375
Other finance income		422.189	1.766
Finance expenses arising from group enterprises		-308.090	-54.707
Other finance expenses		-901.954	-3.105
Profit from ordinary activities before tax		-12.552.221	-38.670
Tax expense on ordinary activities		2.760.515	8.453
Profit		-9.791.706	-30.217
Proposed distribution of results			
Retained earnings		-9.791.706	-30.217
Distribution of profit		-9.791.706	-30.217

Balance Sheet as of 31 December

	Note	2020 DKK	2019 DKK
Assets			
Fixtures, fittings, tools and equipment		2.478.192	25.718
Leasehold improvements		920.019	0
Property, plant and equipment		3.398.211	25.718
Long-term investments in group enterprises		35.328	35.328
Deposits, investments		454.054	89.086
Investments		489.382	124.414
Fixed assets		3.887.593	150.132
Manufactured goods and goods for resale		27.756	0
Inventories		27.756	0
Short-term trade receivables		5.599.566	2.380
Short-term receivables from group enterprises		3.794.588	1.640.393
Current deferred tax		2.768.968	8.453
Other short-term receivables		0	67.717
Prepaid expenses		513.416	43.442
Receivables		12.676.538	1.762.385
Cash and cash equivalents		21.459.448	3.239.681
Current assets		34.163.742	5.002.066
Assets		38.051.335	5.152.198

Balance Sheet as of 31 December

	Note	2020 DKK	2019 DKK
Liabilities and equity			
Contributed capital		50.557	50.000
Retained earnings		-9.448.797	-30.217
Equity		-9.398.240	19.783
Payables to group enterprises		13.466.552	4.502.497
Other payables		0	128.448
Lease commitments		1.043.141	0
Long-term liabilities other than provisions	2	14.509.693	4.630.945
Trade payables		658.839	6.099
Payables to group enterprises		12.842.933	51.894
Other payables		14.480.297	320.252
Deferred income, liabilities		4.295.867	123.225
Lease commitments		661.946	0
Short-term liabilities other than provisions		32.939.882	501.470
Liabilities other than provisions within the business		47.449.575	5.132.415
Liabilities and equity		38.051.335	5.152.198
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Statement of changes in Equity

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2020	50.000	0	-30.217	19.783
Increase of capital	557	373.126	0	373.683
Profit (loss)	0	0	-9.791.706	-9.791.706
Transferred from share premium	0	-373.126	373.126	0
Equity 31 December 2020	50.557	0	-9.448.797	-9.398.240

Notes

1. Employee benefits expense

	2020	2019
Wages and salaries	13.241.351	2.780.130
Post-employment benefit expense	57.748	11.234
Social security contributions	-2.556	11.359
	13.296.543	2.802.723
Average number of employees	<u>32</u>	<u>5</u>

2. Long-term liabilities

	Due after 1-5 years	Due within 1 year	Due after 5 years
Payables to group enterprises	0	0	13.466.552
Lease commitments	1.043.141	0	0
	1.043.141	0	13.466.552

3. Uncertainties relating to going concern

The company has lost more than 50% of its share capital and is therefore subject to the rules on capital losses in the company act.

The Company has received a letter of comfort regarding financial support from its parent company, HelloFresh SE, which declares that HelloFresh SE will provide the necessary financial support should the company not be able to fulfil its financial liabilities.

Based on this it is Management's assessment that the Company is going concern.

4. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

5. Related parties

The Company's financials are included in the consolidated financials of HelloFresh SE, Saarbruecker Str. 37a, 10405 Berlin, Germany.