MARLEY SPOON

Appendix 4D, Directors' Report and Condensed Consolidated Interim Financial Statements For the Half-Year Ended 30 June 2019

Table of Contents

Marley Spoon AG

Appendix 4D

1 Results for announcement to the market

Marley Spoon AG (Marley Spoon or the Company) and its subsidiaries (together the Group) consolidated results for announcements to the market are detailed below (Results):

For the six months to	June 2019 EUR thousands	June 2018 EUR thousands	Change EUR thousands	Change %
Revenue	61,380	39,532	21,848	55
Profit / (Loss) after tax	(21,738)	(19,429)	(2,309)	12
Profit / (Loss) after tax attributable to shareholders	(21,604)	(19,334)	(2,270)	12
Operating EBITDA*	(17,213)	(14,678)	(2,535)	17

* Operating EBITDA excludes the effects of special items. Refer to Note 6 for further details and definitions.

Please refer to the 'Review of Operations' in the Directors' Report for explanation of the Results. The Group has not recognized or assigned any dividends during the presented periods.

The Appendix 4D, the Directors' Report, the condensed consolidated interim financial statements of the Group and the explanatory notes (Condensed Consolidated Interim Financial Statements) and the Directors' Declaration (together this Report) do not include all of the information required for an annual financial report (*Jahresabschluss*) and should be read in conjunction with the IFRS Consolidated Annual Financial Report of the Group for the year ended 31 December 2018. This Report should also be read in conjunction with any public announcements made by the Group in accordance with continuous disclosure requirements arising under ASX Listing Rules.

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting as adopted by the European Union.

2 Other Information

	June 2019 EUR	June 2018 EUR
Net Tangible Assets per ordinary share	165.2	109.1

Marley Spoon AG

Directors' Report

The executive directors (*Vorstandsmitglieder*) and members of the management board (Directors) present their report (Directors' Report) together with the Condensed Consolidated Interim Financial Statements for the half-year ended 30 June 2019 and the Independent Auditor's Review Report thereon.

1 Supervisory Board and Management Board

The members of the supervisory board (*Aufsichtsrat*) and the management board of Marley Spoon AG at any time during or since the end of the half-year are as follows:

Supervisory Board (*Aufsichtsrat*)

Name	Period of Directorship
Deena Shiff, Chairperson	Current, appointed 5 June 2018
Patrick O'Sullivan	Current, appointed 5 June 2018
Kim Anderson	Current, appointed 5 June 2018
Christoph Schuh	Current, first appointed 13 April 2018, re-appointed 5 June 2018

Management Board (*Vorstand*)

Name	Period of Directorship
Fabian Siegel, Chief Executive Officer, Chairman & Co-Founder	Current, appointed 13 April 2018
Julian Lange, Chief Financial Officer	Current, appointed 13 April 2018

The members were appointed to Marley Spoon AG upon conversion from Marley Spoon GmbH.

2 Review of Operations

Marley Spoon delivered on a number of key strategic and operational objectives in the first half of 2019. In addition to improving financial metrics, the Company was able to make key enhancements to its products, roll out a new manufacturing technology, attract new investors, and enter into a new long-term strategic partnership.

Financially, the first half of 2019 was a continuation of Marley Spoon's development over the past years:

- high top-line growth, with all segments contributing based on attractive unit economics. Especially the US business grew very strongly, a testament to the Company's successful two-brand strategy;
- margins improved based on increasing scale and higher labor productivity thanks to process standardization and early-stage automation, and using our strong supplier relationships to improve input costs while maintaining or improving quality. Again, the US business has performed best in increasing its contribution margin year on year, albeit off a lower base.
- general and administrative cost leverage, i.e. relatively slower growth as compared to the top-line.

Additionally, the Company expanded its weekly menu choices for its global Marley Spoon and Dinnerly customers, which has led to better customer behavior. And to support future advances in choice and personalization, manufacturing centers in both Australia and Europe have successfully rolled out new production technology.

Marley Spoon was able to attract investment from two US based Union Square Ventures and Australian grocery chain Woolworths during the 1st half of the year. In addition to strengthening the balance sheet, both represent strong long-term partners. Woolworths is a 5-year strategic alliance, which should help us grow and improve the margins of our Australian business.

The Company achieved a lot over the past year, in a market segment that has ample room for growth and is still cementing its place as a new segment in the overall massive grocery market that is just starting to go online. While many other consumer goods verticals have switched a large proportion of their sales from offline to online, the vast majority of groceries sales are still offline through traditional channels such as supermarkets. Marley Spoon has around 172,000 active customers but our current infrastructure reaches close to 180 million households across the three regions in which we operate, demonstrating significant room for growth.

We thank you for your trust and support.

Marley Spoon AG

Consolidated Statement of Financial Position

EUR in thousands	Note	30 Jun 2019	31 Dec 2018
Assets			
Non-current assets			
Property, plant and equipment	9	6,676	4,846
Right-of-use assets	3	10,126	-
Intangible assets	10	2,700	2,232
Other non-current financial assets		1,556	1,476
Total non-current assets		**21,058**	**8,554**
Current assets			
Inventories		3,621	3,441
Trade and other receivables	8	452	494
Derivative financial instruments	8	-	
Other non-financial assets		1,728	2,108
Cash and cash equivalents		10,605	8,643
Total current assets		**16,407**	**14,686**
Total assets		**37,465**	**23,240**
Equity and liabilities			
Equity			
Share capital		149	140
Capital reserve		100,315	95,458
Other reserves		5,530	5,368
Currency translation reserve		42	17
Accumulated net earnings (losses)		(127,296)	(105,692)
Equity attributable to shareholders of parent company		**(21,620)**	**(4,709)**
Non-controlling interests		(611)	(477)
Total equity		**(21,871)**	**(5,186)**
Non-current liabilities			
Lease liability - non-current	3	7,042	-
Loans and borrowings - non-current	11	13,180	2,526
Derivative financial instruments	8	99	28
Total non-current liabilities		**20,321**	**2,554**
Current liabilities			
Trade and other payables	8	11,954	14,437
Derivative financial instruments	8	-	-
Contract liabilities		1,095	190
Loans and borrowings - current	11	15,936	6,950
Lease liability - current	3	3,597	-
Other financial liabilities		5,621	3,269
Other non-financial liabilities		812	1,026
Total current liabilities		**39,015**	**25,872**
Total equity and liabilities		**37,465**	**23,240**

Marley Spoon AG

Consolidated Statement of Comprehensive Income

EUR in thousands	Note	For the six months ended 30 Jun 2019	30 Jun 2018
Revenue		**61,380**	**39,532**
Cost of goods sold		(34,394)	(23,033)
Gross profit		**26,987**	**16,499**
Fulfilment expenses		(12,239)	(7,905)
Marketing expenses		(18,020)	(12,486)
General & administrative expenses		(16,349)	(11,553)
Operating income (loss)		**(19,621)**	**(15,445)**
Earnings before interest & taxes (EBIT)		**(19,621)**	**(15,445)**
Financing income	11	5	465
Financing expense	11	(2,067)	(4,445)
Earnings before taxes (EBT)		**(21,684)**	**(19,425)**
Income tax expense	7	(54)	(4)
Net income / (loss) for the period		**(21,738)**	**(19,429)**
Net Income / (loss) for the year attributed to:			
Owners of the Company		(21,604)	(19,334)
Non-controlling interest		(134)	(95)
Other comprehensive income / (loss) for the year			
Items that may be subsequently reclassified to profit or loss			
Exchange rate differences on translation of foreign operations		25	(59)
Owners of the Company		25	(59)
Non-controlling interest		-	-
Total comprehensive income / (loss) for the year, net tax		**(21,712)**	**(19,488)**
Total comprehensive income attributed to:			
Owners of the Company		(21,578)	(19,393)
Non-controlling interests		(134)	(95)
Basic earnings per share (EUR)		(152)	(214)
Diluted earnings per share (EUR)		(152)	(214)

Marley Spoon AG
Consolidated Statement of Changes in Equity

		Attributable to owners of the parent						Attributable to NCI	
EUR in thousands	Note	Share capital	Capital reserves	Other reserves	Accumulated net earnings	Currency translation reserve	Total	NCI	Equity
Balance as of January 1, 2019		**140**	**95,458**	**5,368**	**(105,692)**	**17**	**(4,709)**	**(477)**	**(5,186)**
Net income for the period (loss)		**-**	**-**	**-**	**(21,604)**	**-**	**(21,604)**	**(134)**	**(21,738)**
Other comprehensive income		**-**	**-**	**-**	**-**	**25**	**25**	**-**	**25**
Total comprehensive income		**-**	**-**	**-**	**(21,604)**	**25**	**(21,579)**	**(134)**	**(21,713)**
Issuance of share capital		**8**	**2,445**	**-**	**-**	**-**	**2,453**	**-**	**2,453**
Employee share-based payment expense	13	**-**	**-**	**162**	**-**	**-**	**162**	**-**	**162**
Other share-based payment expense	13	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Issuance of warrants		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exercise of warrants		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Issuance of convertible bonds		**-**	**2,412**	**-**	**-**	**-**	**2,412**	**-**	**2,412**
Conversion of bonds		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchase of non-controlling interest		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balances as of June 30, 2019		**149**	**100,315**	**5,530**	**(127,296)**	**42**	**(21,260)**	**(611)**	**(21,871)**

		Attributable to owners of the parent						Attributable to NCI	
EUR in thousands	**Note**	**Share capital**	**Capital reserves**	**Other reserves**	**Accumulated net earnings**	**Currency translation reserve**	**Total**	**NCI**	**Equity**
January 1, 2018		**78**	**47,651**	**5,611**	**(64,185)**	**(51)**	**(10,896)**	**(767)**	**(11,663)**
Net income for the period (loss)		-	-	-	(40,985)	-	(40,985)	(232)	(41,217)
Other comprehensive income		-	-	-	-	68	68	-	68
Total comprehensive income		**-**	**-**	**-**	**(40,985)**	**68**	**(40.917)**	**(232)**	**(41,149)**
Issuance of share capital		51	39,706	-	-	-	39,757	-	39,757
Employee share-based payment expense	13	-	-	554	-	-	554	-	554
Other share-based payment expense	13	-	155	202	-	-	357	-	357
Issuance of warrants		-	-	2,710	-	-	2,710	-	2,710
Exercise of warrants		4	3,716	(3,709)	-	-	11	-	11
Conversion of bonds		5	4,230	-	-	-	4,235	-	4,235
Purchase of non-controlling interest		2	-	-	(522)	-	(520)	522	2
Balances as of December 31, 2018		**140**	**95,458**	**5,368**	**(105,692)**	**17**	**(4,709)**	**(477)**	**(5,186)**

Marley Spoon AG

Consolidated Statement of Cash Flows

EUR in thousands	Note	For the six months ended 30 June 2019	30 June 2018
Operating activities			
Net income for the period (loss)		**(21,738)**	**(19,429)**
Adjustments for:			
Depreciation and impairment of property, plant and equipment		525	148
Amortization and impairment of intangible assets		346	89
Depreciation of right-of-use assets	3	1,375	-
Increase (decrease) in share-based payments	13	162	1,077
Financing expense	11	2,037	3,980
Interest paid		(656)	(222)
Other non-cash movements		6	69
Working capital adjustments:			
Decrease (increase) in inventory		(181)	602
Increase (decrease) in account payables & accruals		(552)	1,526
Decrease (increase) receivables		41	(4)
Increase (decrease) in other assets and liabilities		1,360	2,817
Net cash flows from operating activities		**(17,274)**	**(9,347)**
Investing activities			
Purchase of property, plant and equipment	9	(3,296)	(419)
Purchases/development of intangible assets	10	(827)	(881)
Sale and leaseback of property, plant, and equipment		1,005	-
Net cash flows used in investing activities		**(3,118)**	**(1,300)**
Financing activities			
Proceeds from the issuance of share capital		2,548	41,090
Costs from the issuance of share capital		(69)	(3,473)
Proceeds from borrowings	11	18,429	10,673
Proceed from convertible notes	11	12,016	-
Repayment of borrowings	11	(8,838)	(168)
Costs from the issuance of debt		(95)	-
IFRS 16 lease payments	3	(1,635)	
Net cash flows from/(used in) financing activities		**22,356**	**48,122**
Net increase in cash and cash equivalents		1,965	37,475
Net foreign exchange difference		(3)	5
Cash and cash equivalents at 31 December		8,643	2,327
Cash and cash equivalents at 30 June		**10,605**	**39,807**

Selected Explanatory Notes to the Condensed Consolidated Interim Financial Statements

1 Reporting Entity

Marley Spoon AG was incorporated in 2014 as a limited liability company (*Gesellschaft mit beschränkter Haftung*) per German law and subsequently converted to a stock corporation (*Aktiengesellschaft*) in 2018. The Company is registered in the commercial register of Charlottenburg (Berlin) under HR B 195994B. It is domiciled in Germany and has its registered office at Paul-Lincke-Ufer 39/40, 10999 Berlin (Germany).

These Condensed Consolidated Interim Financial Statements as at and for the six months ended 30 June 2019 comprise the Group.

The Group's principal business activity is to create original recipes, which are sent along with fresh, high-quality, seasonal ingredients and cooking instructions directly to customers for them to prepare, cook, and enjoy.

2 Statement of Compliance

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting as adopted by the European Union.

The Condensed Consolidated Interim Financial Statements do not include all the information required for an annual financial report (*Jahresabschluss*) and should be read in conjunction with the IFRS Consolidated Financial Statements of the Group for the year ended 31 December 2018. This Report should also be read in conjunction with any public announcements made by the Group in accordance with continuous disclosure requirements arising under Australian Stock Exchange (ASX) Listing Rules.

The Condensed Consolidated Interim Financial Statements are presented in Euros, which is the presentation currency of the Group, and all values are rounded to the nearest thousand (EUR thousand), except where otherwise stated.

3 Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.1 IFRS 16 *Leases*

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) as follows:

EUR in thousands	
Assets	
Right of use assets	9,347
Total Assets	**9,347**
Liabilities	
Lease liability	9,347
Total liabilities	**9,347**

a) Nature of the effect of adoption of IFRS 16

The group has lease contracts for various items, mainly consisting of buildings and machinery. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. At the timing of adoption, all leases held by the Group were classified as operating leases. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and low-value assets. The right-of-use assets for the leases were recognized based on the carrying amount as of 1 January 2019 for the date of initial application, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Based on the foregoing, as at 1 January 2019, right-of-use assets of EUR 9,347 thousand were recognized and presented separately in the statement of financial position. Lease liabilities of EUR 9,347 thousand were also recognized.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

EUR in thousands	
Operating lease commitments as at 31 December 2018	**13,752**
Less:	
Commitments relating to short-term leases	(761)
Operating lease commitments subject to IFRS 16	12,991
Weighted average incremental borrowing rate as at 1 January 2019	15%
Discounted operating lease commitments at 1 January 2019	9,347
Lease liabilities as at 1 January 2019	**9,347**

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets - The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment.

Lease liabilities - at the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets - The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options - The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. No renewal options were included as part of the lease term.

c) Amounts recognized in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group’s right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets			
EUR in thousands	**Buildings**	**Equipment**	**Total**	**Lease Liabilities**
As at 1 January 2019	9,347	-	9,347	9,347
Additions	823	1,331	2,154	2,154
Depreciation Expense	(1,276)	(99)	(1,375)	-
Interest Expense	-	-	-	773
Payments	-	-	-	(1,635)
As at 30 June 2019	8,894	1,232	10,126	10,639

4 Critical Estimates and Judgements

4.1 Significant estimates or judgements

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in IFRS Consolidated Financial Statements of the Group for the year ended 31 December 2018, with the exception of IFRS 16, as outlined above. Further details on significant judgements of intangible assets are disclosed in Note 10. In addition, refer to Note 8.2 for further information on significant estimates used in determining the share price appropriate in the measurement of fair values.

4.2 Going concern

The Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis, which assumes that the Group will be able to meet all its financial obligations and commitments.

The Group's ability to meet its financial obligations and commitments as they fall due and continue as a going concern are dependent upon improving free cash flows from operations through continued market growth, an increase in market share, further improvements in profitability and/or enhanced working capital management while attracting future capital, either through debt or equity or a combination of the two.

5 Significant Changes in the Current Reporting Period

The financial position and performance of the Group was particularly affected by the following events and transactions during the six months to 30 June 2019:

- Issuance of short-term loan (Note 11)
- Issuance of USD denominated convertible bonds (Note 11)
- Implementation of IFRS 16 (Note 3)

6 Segment Reporting

The reported operating segments are strategic business units that are managed separately. The "Holdings" column represents royalty charges and interest income on subsidiaries. The Group consolidation (''Conso'' column) eliminates intercompany transactions.

Operating EBITDA excludes the effects of equity-settled share-based payments, unrealized gains or losses on financial instruments, as well as significant items of income and expenditure that are the result of an isolated, non-recurring event such as certain impairments.

	For the half-year ended 30 June 2019						
EUR in thousands	**USA**	**Australia**	**Europe**	**Total**	**Holdings**	**Conso**	**Group**
Total revenue	27,235	21,274	12,872	61,380	7,176	-7,176	61,380
Internal revenue	-	-	-	-	7,176	-7,176	-
External revenue	27,235	21,274	12,872	61,380	-	-	61,380
Contribution margin [1]	5,593	6,918	2,236	14,747	7,176	-7,176	14,747
Operating EBITDA	**(6,876)**	**(1,796)**	**(8,541)**	**(17,213)**	**-**	**-**	**(17,213)**
Internal charges and royalty	(1,734)	(1,405)	(575)	(3,715)	-	3,715	-
Special items [2]	-	-	(162)	(162)	-	-	(162)
Depreciation and amortization	(1,058)	(373)	(814)	(2,246)	-	-	(2,246)
EBIT	**(9,669)**	**(3,574)**	**(10,089)**	**(23,336)**	**-**	**3,715**	**(19,621)**
Intercompany interest	(2,433)	(562)	(467)	(3,462)	-	3,462	-
External financing cost	(574)	(120)	(1,369)	(2,063)	-	-	**(2,063)**
Earnings before tax	**(12,675)**	**(4,256)**	**(11,929)**	**(28,860)**	**-**	**7,176**	**(21,684)**

	For the half-year ended 30 June 2018						
	USA	Australia	Europe	Total	Holding	Conso	Group
Total revenue	13,733	15,067	10,732	39,532	1,900	(1,900)	39,532
Internal revenue					1,900	(1,900)	
External revenue	13,733	15,067	10,732	39,532			39,532
Contribution margin (1	1,789	4,939	1,940	8,668	1,900	(1,900)	8,668
Operating EBITDA	**(6,726)**	**(1,193)**	**(6,213)**	**(14,132)**			**(14,132)**
Internal charges and royalty	(412)	(452)	(238)	(1,102)		1,102	-
Special items (2)	(100)	-	(977)	(1,077)			(1,077)
Depreciation and amortization	(37)	(55)	(144)	(236)			(236)
EBIT	**(7,275)**	**(1,700)**	**(7,572)**	**(16,547)**		**1,102**	**(15,445)**
Intercompany interest	(491)	(110)	(197)	(798)		798	-
External financing cost	(5)		(3,975)	(3,980)			(3,980)
Earnings before tax	**(7,771)**	**(1,810)**	**(11,744)**	**(21,325)**		**1,900**	**(19,425)**

(1) Contribution margin consists of revenue from external customers less cost of goods sold and fulfillment expenses and associated depreciation.

(2) Special items consist of the following items: employee virtual share program (VSP) / stock option plan (ESOP) EUR 162 thousand (30 June 2018: 875 thousand), media for equity partnerships EUR 0 thousand (30 June 2018: 102 thousand) and Martha Stewart warrant EUR 0 thousand (30 June 2018: 100 thousand) accumulating to a total of special items of EUR 162 thousand (30 June 2018: 1,077 thousand)

The Group has no intercompany transactions that cross continents with the exception of intercompany financing transactions between the parent and the subsidiaries, the associated interest, and royalty charges. The royalty and interest charges are based on independent benchmark studies and considered to be at arm's length.

7 Income Tax Expense

The Group's consolidated weighted current tax rate for the six months ended 30 June 2019 was 29.7% (six months ended 30 June 2018: 28.1%). The weighted average applicable tax rate for the year ended 31 December 2018 was 29.7% (2017: 34.8%) which was derived from the tax rate in each jurisdiction weighted by the relevant pre-tax loss. No numerical reconciliation of income tax expense to prima facie tax payable has been calculated since no positions have been recognized in 2019.

The Group has tax losses in several legal entities in different tax jurisdictions that have the potential to reduce tax payments in future years. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries currently have no tax planning opportunities available that partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward or the associated tax expense benefit in the Statement of Comprehensive Income.

8 Financial Instruments

8.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

EUR in thousands		**30 June 2019**		**31 December 2018**	
Financial assets	**Fair Value Hierarchy**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Other non-current financial assets	n/a	1,556	1,556	1,476	1,476
Trade and other receivables	n/a	452	452	494	494
Cash and cash equivalents	n/a	10,605	10,605	8,643	8,643
Total		**12,613**	**12,613**	**10,613**	**10,613**

Financial liabilities	**Fair Value Hierarchy**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Borrowings	n/a	29,116	29,116	9,476	9,476
Trade and other payables	n/a	11,954	11,954	14,437	14,437
Derivative financial instruments	3*	99	99	28	28
Other financial liabilities	n/a	5,621	5,621	3,269	3,269
Total		**46,790**	**46,790**	**27,210**	**27,210**

*Derivative financial liabilities include a forward derivative categorized within level 2 of the fair value hierarchy. At 30 June 2019, the forward derivative had a carrying amount of EUR 12 thousand (31 December 2018: EUR 16 thousand). All other derivative financial liabilities are categorized within level 3 of the fair value hierarchy.

For liquid assets, other short-term financial instruments and other non-current financial assets, the fair values equal approximately their carrying amounts at closing date.

8.2 Measurement of fair values

The Group measures derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their own economic best interest.

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

All assets and liabilities for which fair value is measured or disclosed in the Condensed Consolidated Interim Financial Statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3 — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between the levels in the hierarchy during the period.

The Group has two financial liabilities measured at fair value in the statement of financial position during the period:

- Warrant agreements;
- Forward derivative.

Warrant agreements

The Group granted warrants during prior periods, which are classified as derivative financial liabilities at the date of initial recognition and recognized at fair value. An option pricing model (binomial model) is used to determine the fair value of the warrant agreements at the relevant dates (level 3). Public market data, e.g. the risk-free interest rates (30 June 2019: -0.33%; 2018: 0.24 %) and other input data were used. Especially relevant is the valuation of the company based on the IPO list price (EUR 899 per share) and the calculated volatility (six months to 30 June 2019: 53.96 %; 2018: 39.88 %). With the listing on the ASX, the estimated share price is valued based on public market data. Gains and losses arising from changes in fair value are recognized in the Statement of Comprehensive Income in the period during which they arise.

Convertible feature of bonds issued

In the six-months to 30 June 2019, the Group issued USD denominated convertible bonds for cash consideration of EUR 12,016 thousand (Note 11) which contained contracted equity conversion events. The conversion features of the bonds issued are classified as equity instruments at the date of initial recognition and measured at fair value (level 3) and not subsequently remeasured. The fair value of the conversion right at initial recognition is deducted from the issuance proceeds of the loan. The host contract of the loan is subsequently recognized on an amortized cost basis until resolved on conversion of the loan. Public market data e.g. corporate interest yields, estimated share price and other input data were used.

Forward derivative

The derivative financial instruments also include a forward hedge, and the fair value is defined on the current exchange rate and the contractual terms (level 2).

9 Property, Plant and Equipment

During the six months ended 30 June 2019, the Group acquired assets with a cost of EUR 3,360 thousand (six months ended 30 June 2018: EUR 419 thousand).

10 Intangible Assets

During the six months ended 30 June 2019, the Group capitalized EUR 815 thousand (six months ended 30 June 2018: EUR 881 thousand) relating to licenses & software developments. Of this, EUR 626 thousand related development costs associated with internally generated software of new customized tools (six months ended 30 June 2018: EUR 545 thousand).

Consistent with the Group's accounting policies, development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and use the asset. Management has made judgements and estimates regarding the future economic benefits of internally generated software. Actual results may differ from these estimates. The Group tests whether the intangible assets have suffered any impairment on occurrence of an impairment indicator for all intangible assets. No impairment was recorded during the period.

11 Loans and Borrowings

The following table shows a reconciliation from the opening balances to the closing balances for loans and borrowings:

EUR in thousands	2019	2018
Opening balance, as of 1 January	**9,476**	**10,964**
Proceeds from borrowings	27,991	13,175
Repayments of borrowings	(8,864)	(12,257)
Conversion of bonds	-	(3,375)
Accrued interest and fees	295	724
Effects of effective interest method on borrowings	219	245
Closing balance, as of Period End	**29,116**	**9,476**

During the reporting period the Group entered into three separate financing arrangements.

In January 2019, Marley Spoon entered into a new short-term loan facility totaling USD 11.4 million (EUR 10.0 million) from US based venture capital firm Union Square Ventures (USV). After shareholder approval at an extraordinary general meeting in March 2019, the Company elected to substitute the loan facility for two non-pro rata convertible bond instruments under German law (Wandelschuldverschreibungen).

In addition to USV, and on substantially the same terms to the USV convertible bonds, existing non-related party minority shareholders undertook to subscribe to two additional non-pro rata convertible bond instruments under German law (Wandelschuldverschreibungen) in an aggregate nominal amount of USD 2.3 million (EUR 2.0 million). These notes obtained shareholder approval at the same extraordinary general meeting.

Furthermore, the existing Moneda Loan Agreement, has been repaid in full and closed as of the reporting date.

In June 2019, the Group entered into a five-year strategic partnership with Woolworths Group Limited focusing on growing the Marley Spoon and Dinnerly brands in Australia. This included an AUD 30,050 thousand investment in structured debt and equity funding by Woolworths. The structured debt component consists of an initial senior secured commercial loan of AUD 25,950 thousand which the Group may elect to substitute for two non-pro rata, senior secured convertible note instruments under German law (*Wandelschuldverschreibungen*). The Company was granted shareholder approval to issue the convertible note instruments and to create corresponding conditional and authorized capital to enable the Company to issue CDIs on conversion of the notes at an extraordinary general meeting on August 29, 2019.

Financing income and expenses

Financing expenses are associated with the interest paid on borrowings, derivative financial instruments and the adjustments for loans which are valued at amortized costs. Differences between the proceeds (net of transaction costs) and the redemption value is recognized in the Statement of Comprehensive Income over the borrowing period using the effective interest method.

EUR in thousands	30 June 2019	30 June 2018
Interest earned on bank balances	5	1
Derivative financial instrument changes in fair value	-	464
Finance income	**5**	**465**

EUR in thousands	30 June 2019	30 June 2018
Nominal interest expense on borrowings	(978)	(1,171)
Effects of IFRS 16 on interest expense	(773)	-
Effects of effective interest method on borrowings	(219)	(2,695)
Total interest expense	**(1,970)**	**(3,866)**
Derivative financial instrument changes in fair value	(71)	(579)
Financing expense	**(2,041)**	**(4,445)**

12 Related Party Transactions

Parties are considered to be related if they are under common control or if one of the parties has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In addition, a related party is any executive officer (C-level), director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such person.

12.1 Parent entities

The Group has no significant changes in the parent structure as of 30 June 2019.

12.2 Balances and transactions with entities with significant influence over the group

AKW Capital GmbH / Fabian Siegel

AKW Capital GmbH (fka AKW Capital UG (haftungsbeschränkt)) holds a significant share in the Company. AKW Capital GmbH is an entity solely held and controlled by Fabian Siegel. Fabian Siegel is also the controlling direct or indirect shareholder of several other entities including the Marley Spoon Employee Trust UG (MSET) and Marley Spoon Series A UG (*haftungsbeschränkt*) & Co. KG, which are holding shares in the Company, inter alia, for the benefit of employees to be released under the circumstances stated in the employee stock option program (ESOP) of the company. Due to being jointly controlled these entities exercise their voting and other shareholder rights in the company along with AKW Capital GmbH. In addition, the Group has the managing director of AKW Capital GmbH (Fabian Siegel) on payroll as CEO for the Group as well as managing director of all the Group's substantial subsidiaries. During the first half year, Fabian Siegel, CEO, provided a EUR 2,000 thousand working capital loan to the Group. The loan was repaid in full, plus all applicable fees and interest, prior to the end of the reporting period.

Moneda Top Holding

Effective 2017, the Group entered into a EUR 6,000 thousand loan agreement with Moneda Top Holding S.á.r.l (a Rocket Internet SE affiliate, which also applies for Global Founders Capital GmbH & Co. Beteiligungs KG Nr.1, Rocket Internet Capital Partners SCS and Rocket Internet Capital Partners (Euro) SCS, who all hold shares/CDI in Marley Spoon AG). As of the reporting date, the loan has been repaid in full.

All transactions listed with entities with significant influence over the Group are made at terms equivalent to those that prevail in arm's length transactions.

12.3 Remuneration of members of key management including the supervisory board

Key management personnel include the Chief Executive Officer and the Chief Financial Officer (key executive management) and the Supervisory Board.

Key executive management

The total remuneration is listed in the table below:

	Transactions for the six months ended	
EUR in thousands	**30 June 2019**	**30 June 2018***
Short-term employee benefits	163	304
Post-employment benefits	-	-
Long term benefits	-	-
Termination benefits	-	-
Share-based payments	26	45
Total compensation	**189**	**349**

* In the half-year report 2018, key executive management also included the Chief Operating Officer, the Chief Marketing Officer, and the Chief Technology Officer.

Supervisory Board

The supervisory board was assigned in June 2018 and represents a total compensation of EUR 121 thousand (2018: EUR 43 thousand). The members of the supervisory board have been elected to that position for a period terminating at the end of the Company's general meeting in CY2021 (Supervisory Board Initial Term) and contain the members as listed in the Directors' Report.

The Chairman and two other members will be entitled to receive base compensation of EUR 82 thousand (AUD 130 thousand) and EUR 51 thousand (AUD 80 thousand), respectively, per annum during the Supervisory Board

Initial Term. Further, the chair of the Audit & Risk Management Committee and the chair of the Remuneration & Nomination Committee will each be entitled to receive additional compensation of EUR 12.5 thousand (AUD 20 thousand) per annum during the Supervisory Board Initial Term.

13 Share-based Payments

At 30 June 2019, the Group had the following share-based payment arrangements. The shares granted to the supervisory board are described in Note 12.3.

The total costs of share-based payments for the six months ended 30 June 2019 is EUR 162 thousand.

Employee Stock Option Program (ESOP) and Stock Option Plan 2019 (SOP)

Prior to the IPO, the Company issued rights under historical "virtual share plans" to certain employees. Following the listing on the ASX, all of these then outstanding rights (whether vested or unvested) were consolidated and replaced with substantially equivalent rights over shares (or CDIs) referred to as "Option Rights" under a plan referred to in this Prospectus as the "Existing Option Rights Plan". Unvested rights continue to vest in accordance with their current vesting schedule. No further rights have been issued under the Existing Option Rights Plan (or the historical "virtual share plans") following completion of the IPO.

All options and rights for employees have remained the same. The **ESOP** for employees has a value of EUR 5,500 thousand as of June 30, 2019 (31 December 2018: 5,368 thousand). Generally, employees are granted shares over a period of 48 months with a cliff period of 12 months. No owner rights, e. g. voting rights, are associated with the program.

For equity-settled transactions, the total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award. The options are granted without consideration of an exercise price. The fair value determined at the grant date is expensed on a graded vesting scheme, with a corresponding credit in equity. Further details of the program are provided in the Consolidated Annual Report for the year ended 31 December 2018.

During the six months ended 30 June 2019, the following transactions occurred:

	Number of awards
Number of awards outstanding 1 January 2019	**6,669**
Thereof: exercisable/vested	6,115
Granted during 2019	-
Forfeited during 2019	(279)
Exercised during 2019	-
Expired 2019	-
Number of awards outstanding 30 June 2019	**6,390**
Thereof: exercisable/vested	**6,167**

The fair value measurement at grant date is determined by applying an option pricing model (Black-Scholes-Model), with the main determinates being the share price, risk-free rate and volatility. The aforementioned accounting estimations have a significant influence on the valuation of the provision.

The company entered into a new Employee Stock Option Plan in February 2019 (“**SOP**”) granting employees share-based payments similarly structured as the ESOP. For equity-settled transactions, the total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award. The options are granted at an exercise price of 0,27 EUR. The fair value determined at the grant date is expensed on a graded vesting scheme, with a corresponding credit in equity.

	Number of awards
Number of awards outstanding 1 January 2019	**0**
Thereof: exercisable/vested	0
Granted during 2019	3,886
Forfeited during 2019	(191)
Exercised during 2019	-
Expired 2019	-
Number of awards outstanding 30 June 2019	**3,694**
Thereof: exercisable/vested	**222**

Total expenses arising from share-based payments to employees programs (ESOP and SOP 2019) recognized during the period were EUR 162 thousand.

14 Events Occurred after the Reporting Period

The Condensed Consolidated Interim Financial Statements were authorized by the management board on August 29, 2019.

On August 29, 2019, the extraordinary general meeting of the Company approved, *inter alia*, the issuance of two non-pro rata, senior secured convertible note instruments under German law (*Wandelschuld-verschreibungen*) to Woolworths and the creation of the respective conditional and authorized capital to enable the Company to issue shares/CDIs on conversion of the notes to Woolworths.

Fabian Siegel

Chief Executive Officer, Chairman of the Management Board and Co-Founder

Julian Lange

Chief Financial Officer, Member of the Management Board

Berlin, August 29, 2019

Marley Spoon AG
Directors' Declaration

Following review of the Report, the members of the management board (*Vorstand*) declare that in their reasonable opinion:

- The Condensed Consolidated Interim Financial Statements and accompanying Notes give a true and fair view of the financial position of the Group as at 30 June 2019 and of its performance, for the half-year ended on that date;
- The Condensed Consolidated Interim Financial Statements and accompanying Notes comply with International Accounting Standard 34: Interim financial reporting as adopted by the European Union; and
- There are reasonable grounds to believe that Marley Spoon AG will be able to pay its debts as and when they fall due and payable.

Fabian Siegel
Chief Executive Officer, Chairman of the Management Board and Co-Founder

Julian Lange
Chief Financial Officer, Member of the Management Board

Report on Review of condensed consolidated financial statements

To the Marley Spoon AG

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Marley Spoon AG, Berlin, and its subsidiaries ('the Group') as at 30 June 2019, comprising of the interim consolidated statement of financial position as at 30 June 2019 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) on interim financial reporting. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting.

Berlin, 29 August 2019

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Grummer	Nasirifar
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]