Appendix 4D, Directors' Report and Interim Condensed Consolidated Financial Statements For the Half-Year Ended 30 June 2023

Marley Spoon SE Directors' Report

The executive directors (*Vorstandsmitglieder*) and members of the Management Board (together the "Directors") present their report ("Directors' Report") together with the Interim Condensed Consolidated Financial Statements for the half-year ended 30 June 2023 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 (*Vorstand*) of Marley Spoon SE 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, reappointed 11 June 2021
Robin Low, Chair, Audit & Risk Committee	Current, reappointed 11 June 2021
Christian Gisy[1], Chair, Nominations & Remuneration Committee and Deputy Chairperson	Current, appointed 13 March 2023
Judith Jungmann	Current, appointed 25 August 2023
Roy Perticucci[2]	11 June 2021 to 30 May 2023

[1] Mr. Gisy was appointed to the Supervisory Board and as Chair of the Nominations and Remuneration Committee effective 19 August 2022.
[2] Mr. Perticucci stepped down from the Supervisory Board effective 30 May 2023.

Management Board (*Vorstand*)

Name	Period of Directorship
Fabian Siegel, Chief Executive Officer, Chairman & Founder	Current, re-appointed 4 December 2020
Jennifer Bernstein, Chief Financial Officer	Current, re-appointed 20 April 2023
Rolf Weber, Chief Operating Officer & CEO, Australia	Current, appointed 1 December 2021

Operating and financial summary

Marley Spoon net revenue declined 16% in the first half of 2023 versus the prior corresponding period (PCP), driven by all regions: Australia (-9%), the United States (-18%), and Europe (-31%). Low consumer confidence and heightened price sensitivity impacted acquisition volumes and order frequency. Additionally, reduced marketing spend in the second half of 2022 impacted subscriber growth in H1 2023. Though average order value increased in H1 2023 vs. the PCP, it was not enough to compensate for the reduced order volume. Contribution Margin in H1 2023, on the other hand, was 31.4%, +4.2 percentage points versus the PCP. Operational efficiencies and improvements in all regions and across all areas of the business, such as reduced customer care credits, lower food costs and the further integration of Chefgood, contributed to the margin improvements. Pricing introduced in the second half of 2022 was also a contributor.

Highlights:

- H1 2023 revenue was €177m, -16% versus the PCP, in part due to a decrease in active subscribers, with 235,000 active subscribers at the end of Q2 2023 versus 309,000 at the end of Q2 2022, -24% versus the PCP.
- Global Contribution Margin (CM) landed at 31.4%, up 4.2 percentage points versus the PCP, alongside Operating Contribution Margin, defined as CM excluding the impacts of marketing vouchers and fixed costs such as expenses related to site leases, which also increased, by nearly 6 percentage points vs. the PCP as a result of improved operations across all regions.
- Marketing expenses accounted for 18.6% of revenue, compared to 19.2% in the PCP, in line with the Company's planned sequential reduction in marketing spend in Q2 2023.
- Global Operating EBITDA loss of €(3.9m), an improvement on the €(12.7m) Operating EBITDA loss in H1 2022, was driven by the improved margin and cost discipline.

While the Company witnessed a slowdown in growth in H1 2023, the rest of the P&L remained strong, with contribution margin expansion, disciplined spending and Operating EBITDA that turned positive in Q2 2023. Marley Spoon remains focused on balancing investment in topline growth with disciplined cost management and improved Operating EBITDA performance.

During the reporting period, the Company entered into a business combination agreement (BCA) with a Special Purpose Acquisition Company, 468 SPAC II SE (now named Marley Spoon Group SE) which is related to Marley Spoon's major CDI holder, 468 Capital II GmbH & Co. KG, and that is listed on the Frankfurt Stock Exchange (FRA: MS1). As part of the BCA, €35m in capital was raised through private placements with existing and new shareholders. In addition, the Company amended certain debt terms with its loan provider, Runway Growth Finance Corp., including extending the maturity date and interest only period.

2 Review of Operations

Consolidated Statement of Financial Position

EUR in thousands	Note	30 June 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant, and equipment	8	22,800	25,152
Right-of-use assets	9	18,585	22,206
Lease receivables		501	420
Intangible assets	10	17,739	16,385
Goodwill		9,016	9,016
Non-current financial assets		2,410	2,510
Total non-current assets		**71,051**	**75,689**
Current assets			
Derivative financial instruments	7.3	176	-
Inventories		12,949	13,124
Trade receivables	7	783	774
Other current financial assets		2,848	3,233
Cash and cash equivalents		33,294	19,033
Total current assets		**50,051**	**36,164**
Total Assets		**121,102**	**111,853**
LIABILITIES AND EQUITY			
Lease liabilities	9	13,645	16,967
Interest bearing loans and borrowings – non-current	11	69,604	70,771
Non-current provisions		3,489	2,259
Deferred tax liabilities		1,329	1,781
Total non-current liabilities		**88,066**	**91,778**
Current liabilities			
Trade and other payables	7	19,291	26,405
Contract liabilities		3,705	1,876
Interest bearing loans and borrowings – current	11	9,441	7,831
Lease liabilities – current	9	8,472	8,703
Other financial liabilities	15	18,133	14,801
Other non-financial liabilities		3,065	3,566
Total current liabilities		**62,108**	**63,182**
Equity			
Share capital		72,990	39,336
Capital reserve		227,587	226,462
Other reserves		8,898	8,516
Currency translation reserve		(1,753)	(3,425)

Accumulated net losses	(335,081)	(312,422)
Equity attributable to equity holders of the parent	**(27,359)**	**(41,533)**
Non-controlling interests	(1,712)	**(1,574)**
Total equity	**(29,072)**	**(43,107)**
Total liabilities and equity	**121,102**	**111,853**

Consolidated Statement of Comprehensive Income

EUR in thousands except for per Share data	Note	For the six months ended 30 June 2023	30 June 2022
Revenue	5	**177,432**	**211,758**
Cost of goods sold		(93,773)	(116,146)
Gross profit		**83,659**	**95,612**
Fulfilment expenses		(27,908)	(37,945)
Marketing expenses		(32,951)	(40,647)
General & administrative expenses		(40,336)	(38,179)
Earnings before interest & taxes (EBIT)		**(17,536)**	**(21,159)**
Financing income	12	1,585	30
Financing expenses	12	(7,259)	(5,923)
Derivative instruments	12	-	(32)
Earnings before taxes (EBT)		**(23,210)**	**(27,084)**
Income tax benefit (expense)	6	413	(56)
Net loss for the year		**(22,797)**	**(27,140)**
Net loss for the year attributed to:			
Equity holders of the parent		(22,659)	(26,962)
Non-controlling interest		(138)	(178)
Other comprehensive loss for the year			
Items that may be subsequently reclassified to profit or loss		**1,672**	**(2,903)**
Foreign exchange effects		1,672	(2,903)
Total comprehensive loss for the year, net of tax		**(21,125)**	**(30,034)**
Total comprehensive loss attributable to:			
Equity holders of the parent		(20,987)	(29,856)
Non-controlling interests		(138)	(178)
Basic earnings per share (whole EUR)		(0.35)	(5.28)
Diluted earnings per share (whole EUR)		(0.34)	(5.28)

Consolidated Statement of Changes in Equity

EUR in thousands	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings/ (Losses)	Currency Translation Reserve	Total	Attributable NCI	Total Equity
Balance as at 1 January 2023	**39,336**	**-**	**226,462**	**8,516**	**(312,422)**	**(3,425)**	**(41,533)**	**(1,574)**	**(43,107)**
Net loss for the period	-	-	-	-	(22,659)	**-**	**(22,659)**	(138)	(22,797)
Other comprehensive loss	-	-	-	-	-	1,672	1,672	-	1,672
Total Comprehensive loss	**-**	**-**	**-**	**-**	**(22,659)**	**1,672**	**(20,987)**	**(138)**	**(21,125)**
Issuance of share capital	33,654	-	1,346	-	-	-	35,000	-	35,000
Receipt of shares for employee option exercise	-	-	-	-	-	-	-	-	-
Shares transferred to employees	-	-	-	-	-	-	-	-	-
Cash on exercise of employee options	-	-	-	-	-	-	-	-	-
Employee share-based payment expense	-	-	-	382	-	-	382	-	382
Transaction costs for issuance of shares	-	-	(221)	-	-	-	(221)	-	(221)
Balance as at 30 June 2023	**72,990**	**-**	**227,587**	**8,898**	**(335,081)**	**(1,753)**	**(27,359)**	**(1,712)**	**(29,072)**

EUR in thousands	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings/ (Losses)	Currency Translation Reserve	Total	Attributable NCI	Total Equity
Balance as at 1 January 2022	**284**	**(1)**	**250,268**	**7,507**	**(272,692)**	**(1,637)**	**(16,271)**	**(1,292)**	**(17,563)**
Net loss for the period	-	-	-	-	(26,962)	-	(26,962)	(178)	(27,140)
Other comprehensive loss	-	-	-	-	-	(2,903)	(2,903)	-	(2,903)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(26,962)**	**(2,903)**	**(29,865)**	**(178)**	**(30,043)**
Issuance of share capital	8	-	4,992	-	-	-	5,000	-	5,000
Receipt of shares for employee option exercise	-		243	-	-	-	243	-	243
Shares transferred to employees	-	1	(253)	-	-	-	(252)	-	(252)
Cash on exercise of employee options	-	-	-	70	-	-	70	-	70
Employee share-based payment expense (note 14)	-	-	-	605	-	-	605	-	605
Transaction costs for issuance of shares	-	-	(13)	-	-	-	(13)	-	(13)
Increase of share capital from company funds	28,904	-	(28,904)	-	-	-	-	-	-
Balance as at 30 June 2022	**29,196**	-	**226,333**	**8,182**	**(299,654)**	**(4,540)**	**(40,483)**	**(1,470)**	**(41,953)**

Consolidated Statement of Cash Flows

EUR in thousands	Note	For the six months ended 30 June 2023	30 June 2022
Operating activities			
Net income (loss) for the period		**(22,797)**	**(27,140)**
Adjustments for:			
Depreciation of property, plant, and equipment		2,170	2,018
Depreciation of right-of-use assets		2,938	3,138
Amortization of intangible assets		2,536	1,629
Loss on disposal of property, plant and equipment		(3)	47
Increase (decrease) in share-based payments		382	675
Financing income and expense		5,178	5,958
Bad debt expense		833	161
Tax paid		(44)	(70)
Other non-cash movements		393	1,423
Working capital adjustments:			
Decrease (increase) in inventory		175	(3,236)
Increase (decrease) in accounts payable and accrued expenses		652	6,314
Decrease (increase) in receivables and other items		(783)	(141)
Increase (decrease) in other assets and liabilities		1,658	(151)
Net cash flows from operating activities		**(6,712)**	**(9,375)**
Investing activities			
Purchase of property, plant, and equipment	8	(284)	(2,781)
Purchase/development of intangible assets	10	(3,836)	(3,415)
Acquisition of Chefgood, net of cash acquired	16	(1,718)	(6,647)
Sale of equipment		-	20
Net cash flows used in investing activities		**(5,839)**	**(12,823)**
Financing activities			
Proceeds from the issuance of share capital		35,000	5,000
Proceeds from employee option exercise		-	40
Costs from the issuance of share capital		(221)	(64)
Proceeds from borrowings	11	5,212	24,255
Cost from borrowings	11	-	(199)
Interest paid	11	(2,564)	(2,663)
Repayment of borrowings	11	(6,306)	(5,926)
Lease payments	9	(4,155)	(4,301)

Payments derivative transaction	(176)	-
Net cash flows from/ (used in) financing activities	**26,790**	**16,142**
Net increase (decrease) in cash and cash equivalents	14,240	(6,056)
Effects of exchange rate changes and other changes on cash and cash equivalents	22	(3,354)
Cash and cash equivalents as at 1 January	**19,033**	**38,659**
Cash and cash equivalents as at 30 June	**33,294**	**29,249**

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Statements

1 Reporting Entity

The Interim Condensed Consolidated Financial Statements as at and for the six months ended 30 June 2023 are for the Group consisting of Marley Spoon SE (formerly Marley Spoon AG) and its subsidiaries (hereafter "the Group"). The Group's principal business activity is to solve everyday recurring problems in delightful and sustainable ways by creating and delivering original recipes and providing the necessary fresh, high-quality, seasonal ingredients directly to customers for them to prepare, cook, and enjoy. Customers can choose which recipes they would like to receive in a given week and receive the pre-portioned ingredients delivered to their doorstep by third-party logistics partners.

The Company is registered in the commercial register of Charlottenburg (Berlin) under HRB 250627 B for Marley Spoon SE (previously: HRB 195994 for Marley Spoon AG). The entity previously known as Marley Spoon AG underwent conversion to a German registered European company (referred to as a Societas Europaea or "SE") on March 13, 2023. It is domiciled in Germany and has its registered office at Paul-Lincke-Ufer 39/40, 10999 Berlin, Germany.

2 Statement of Compliance

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting.

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 2022. The Group has chosen not to adopt early any standard, interpretation, or amendment that has been issued but is not yet effective.

The Interim Condensed Consolidated Financial Statements do not include all the information required for an annual financial report (*Konzernabschluss*) and should be read in conjunction with the IFRS Consolidated Financial Statements of the Group for the year ended 31 December 2022. 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 Securities Exchange (ASX) Listing Rules.

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

3 Critical Estimates and Judgements

3.1 Significant estimates or judgements

In preparing these Interim Condensed Consolidated 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 the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the IFRS Consolidated Financial Statements of the Group for the year ended 31 December 2022. Further details on significant judgements of intangible assets are disclosed in Note 10. In addition, refer to Note 7 for further information on significant estimates used in determining the fair value of financial instruments and Note 14 for estimates on the Company's share price. Details on the significant judgements of the purchase price of the Company's Chefgood acquisition are disclosed in Note 16.

3.2 Going concern

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

The Group's ability to meet its financial obligations as they fall due and continue as a going concern depends on the Group's ability to maintain a positive cash balance. Management's forecast calls for a positive cash balance for the next twelve months assuming contribution margin maintained above 30%, a reduction in general & administrative expenses as a percent of net revenue by at least 1 percentage point in the next 12 months vs. the previous corresponding period and achieving positive Operating EBITDA in 2024. The development of cash flows could be negatively impacted by macroeconomic or external factors such as continued volatile customer behavior or further cost inflation or supply chain disruptions.

In case of these potential headwinds the Group's ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by additional margin expansion and cost reductions. Management expects the Group to be able to address these additional headwinds with various measures.

4 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 2023:

- *Equity raise and debt renegotiation: Marley Spoon SE secured EUR 35 million in equity through new placement shares from new and existing investors. This aligns with the Company's objective to support its near-term growth and fulfill its capital requirements. In addition, a negotiated amendment to its existing loan agreement with Runway Growth Finance Corp. (Runway) resulted in changes to its existing debt terms, including an extension of the interest-only period to January 15, 2025 and the loan maturity date to June 15, 2026 as well as a deferral of the cash interest paid for the period April - September 2023, which is to be capitalized to the outstanding loan balance.*

- *Conversion from German Stock Corporation to German-registered European Company: The Company completed its conversion from a German stock corporation (Aktiengesellschaft or "AG") to a German-registered European company (Societas Europaea or "SE"). This significant transformation, approved by the shareholders at the Annual General Meeting on June 1, 2022, provides a more flexible and appropriate corporate structure for Marley Spoon, enhancing its position as a growth company with a* *pan-European/international employee base. The conversion was finalized on March 13, 2023, with the Company now operating under the name "Marley Spoon SE."*

5 Segment Reporting

The reported operating segments are strategic business units that are managed separately. The "Holdings" column represents internal charges and royalties as well as 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 six months ended 30 June 2023						
EUR in thousands	**USA**	**Australia**	**Europe**	**Total**	**Holdings**	**Conso**	**Group**
Total revenue	86,067	72,001	19,365	177,432	14,620	(14,620)	177,432
Internal revenue	-	-	-	-	14,620	(14,620)	-
External revenue	86,067	72,001	19,365	177,432			177,432
Contribution margin (1)	30,180	20,668	4,903	55,751	14,620	(14,620)	55,751
Operating EBITDA	**5,709**	**1,699**	**(11,341)**	**(3,933)**	**14,620**	**(14,620)**	**(3,933)**
Internal charges & royalties (3)	(5,369)	(4,970)	(994)	(11,333)	-	11,333	-
Special items (2)	(1,002)	(89)	(4,866)	(5,957)	-	-	(5,957)
Depreciation and amortization	(3,025)	(1,860)	(2,760)	(7,645)	-	-	(7,645)
EBIT	**(3,688)**	**(5,220)**	**(19,961)**	**(28,868)**	**-**	**11,333**	**(17,536)**
Intercompany interest	(1,506)	(1,132)	(650)	(3,287)	-	3,287	-
Interest on lease liabilities	(781)	(343)	(177)	(1,301)	-	-	(1,301)
External financing costs	(4.792)	1.137	(718)	(4.374)	-	-	(4.374)
Fair value changes Derivative financial instruments	-	-	-	-	-	-	-
Earnings before tax	**(10,767)**	**(5,558)**	**(21,506)**	**(37,830)**	**-**	**14,620**	**(23,210)**

(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: Employee stock option program costs of EUR 382 thousand (30 June 2022: 678 thousand, including exercise expenses), severance expense incurred of EUR 881 thousand (30 June 2022: 403 thousand), a one-time sales tax charge in the US of EUR 468 thousand (30 June 2022: 530 thousand), and restructuring expense, for first half of 2023, of EUR 4,226 thousand.

(3) The Group has the following intercompany transactions: intercompany financing transactions between the parent and the subsidiaries, the associated interest, royalty charges and certain services provided between headquarters and the operating subsidiaries or directly between subsidiaries. These charges are based on independent benchmark studies and considered to be at arm's length

EUR in thousands	For the six months ended 30 June 2022 USA	Australia	Europe	Total	Holdings	Conso	Group
Total revenue	104,657	79,154	27,947	211,758	15,912	(15,912)	211,758
Internal revenue	-	-	-	-	15,912	(15,912)	-
External revenue	104,657	79,154	27,947	211,758	-	-	211,758
Contribution margin (4)	29,079	23,185	5,403	57,667	15,912	(15,912)	57,667
Operating EBITDA	**2,280**	**503**	**(15,529)**	**(12,746)**	**15,912**	**(15,912)**	**(12,746)**
Internal charges & royalties (5)	(6,069)	(4,276)	(1,746)	(12,091)	-	12,091	-
Special items (6)	(875)	(22)	(730)	(1,627)	-	-	(1,627)
Depreciation and amortization	(2,988)	(1,536)	(2,261)	(6,785)	-	-	(6,785)
EBIT	**(7,652)**	**(5,331)**	**(20,266)**	**(33,249)**	**-**	**12,091**	**(21,158)**
Intercompany interest	(1,588)	(1,098)	(1,135)	(3,821)	-	3,821	-
Interest on lease liabilities	(998)	(320)	(178)	(1,496)	-	-	(1,496)
External financing costs	(2,823)	(230)	(1,345)	(4,398)	-	-	(4,398)
Fair value changes Derivative financial instruments	-	(32)	-	(32)	-	-	(32)
Earnings before tax	**(13,061)**	**(7,011)**	**(22,924)**	**(42,996)**	**-**	**15,912**	**(27,084)**

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

(5) Special items consist of the following: Employee stock option program costs including exercise expenses of EUR 678 thousand (30 June 2021: 678 thousand), expenses related to legal and other services incurred in connection with M&A transactions EUR 17 thousand (30 June 2021: 17 thousand), severance expense incurred EUR 403 thousand (30 June 2021: 403 thousand), as well as a one-time sales tax charge in the US of EUR 530 thousand in Q2 2022.

(6) The Group has the following intercompany transactions: intercompany financing transactions between the parent and the subsidiaries, the associated interest, royalty charges and certain services provided between headquarters and the operating subsidiaries or directly between subsidiaries. These charges are based on independent benchmark studies and considered to be at arm's length.

6 Income Tax Expense

The Group's consolidated weighted current tax rate for the six months ended 30 June 2023 was 25.2% (six months ended 30 June 2022: 23.8%). The weighted average applicable tax rate for the year ended 31 December 2022 was 24.4% (2021: 23.8%) 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 2023.

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.

7 Financial Instruments

7.1 Accounting classifications and fair values

Set out below is a comparison by category for carrying amounts and fair values of all the Group's financial instruments that are included in the financial statements.

EUR in thousands		30 June 2023		31 December 2022	
Financial assets	**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Other non-current financial assets	n/a	2,410	2,410	2,510	2,510
Trade and other receivables	n/a	783	783	774	774
Cash and cash equivalents	n/a	33,294	33,294	19,033	19,033
Derivative financial instruments	7.3	176	176	-	-
Total		**36,663**	**36,663**	**22,317**	**22,317**

Financial liabilities	Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Borrowings (current & non-current)	n/a	79,045	79,045	78,602	78,602
Trade and other payables	n/a	19,291	19,291	26,405	26,405
Other financial liabilities	n/a	18,133	18,133	14,801	14,801
Contingent consideration		1,085	1,085	4,449	4,449
Total		**117,554**	**117,554**	**124,257**	**124,257**

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. The Group measures derivatives at fair value at each balance sheet date.

7.2 Fair value of financial instruments

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:

(a) in the principal market for the asset or liability or
(b) 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 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.

7.3 Derivative Financial Instruments

The derivative financial instruments break down as follows:

EUR in thousands	30 June 2023	30 June 2022
Forward derivative	-	104
Interest rate hedge	176	-
Derivative financial instruments – current	**176**	**104**
Total	**176**	**104**

The Group entered into a 3-month interest rate swap transaction with Deutsche Bank AG, scheduled to begin in October 2023 for two years. This transaction is specifically designed to manage the interest rate risk on its Runway loan.

8 Property, Plant and Equipment

During the six months ended 30 June 2023, the Group acquired assets with a cost of EUR 416 thousand (six months ended 30 June 2022: EUR 3,908 thousand).

The increase in fixed assets is driven in part by the new fulfillment center in Perth, which was recognized in work-in-progress as of 30 June 2023 and will be capitalized in August 2023.

9 Lease Liabilities

During the six months ended June 30, 2023, the Group recognized long-term lease agreements with a cost of EUR 237 thousand (six months ended 30 June 2022: EUR 2,184 thousand). For the period ended 30 June 2023, the Group classified EUR 8,472 thousand as the current portion of its lease liabilities.

These leased liabilities arise from the renewals of CSC Leasing in the US segment.

10 Intangible Assets

During the six months ended 30 June 2023, the Group capitalized EUR 3,898 thousand (six months ended 30 June 2022: EUR 8,115 thousand) which was related to licenses & software developments.

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 or if there is the occurrence of an impairment indicator for all intangible assets. No impairment was recorded during the period.

11 Interest-bearing Loans and Borrowings

During Q1 2023, the Company repaid its EUR 5,000 thousand loan facility with Berliner Volksbank (BVB). In the same period, the Company secured a new EUR 5,000 thousand money market loan from BVB, carrying an interest rate of 6.5% + EURIBOR per annum. In August 2023 BVB extended this loan by two months to October 2023, at which time it will be renegotiated. The extension retains the same interest rate of 6.5% + EURIBOR per annum.

In Q2 2023, the Company obtained a new asset financing arrangement with NAB in Australia. The loan is valued at EUR 200 thousand bearing an annual interest rate of 7.51% per annum and matures in 2028. Additionally, the Company recorded a deferral fee of EUR 592 thousand in connection with the amendments to its debt terms with Runway. This amount was subsequently settled through an issuance of shares on July 4, 2023. Refer to 'Events After Reporting Period' for further details.

The Company's remaining debt as at 30 June 2023 includes asset financing in Australia of EUR 3,670 thousand, EUR 38 thousand from insurance premium financing, and the existing EUR 70,291 thousand (USD 76,378 thousand) debt facility from Runway. Further details on the financing facilities are included in Section 6.7 (Interest bearing loans and borrowings) within the notes to the financial statements in the Marley Spoon 2022 annual report.

12 Financing Income and Expense

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 are recognized in the Statement of Comprehensive Income over the borrowing period using the effective interest method.

For the six months ended (EUR in thousands)	30 June 2023	30 June 2022
Interest earned on bank balances	16	15
Interest on sublease assets	19	15
Gain on changes in fair value of contingent consideration	1,550	-
Total financing income	**1,585**	**30**

For the six months ended (EUR in thousands)	30 June 2023	30 June 2022
Interest expense on bank balances	(245)	(98)
Nominal interest expense on borrowings	(5,707)	(3,215)
Interest on lease liabilities	(1,301)	(1,531)
Currency translation gains (losses)	(6)	(1,079)
Total financing expense	**(7,259)**	**(5,923)**

For the six months ended (EUR in thousands)	30 June 2023	30 June 2022
Derivative financial instrument changes in fair value	-	**(32)**

13 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, director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such person.

13.1 Parent entities

The Group has no significant changes in the parent structure as of 30 June 2023 however as of 6 July 2023 Marley Spoon Group SE has 84% shareholding of Marley Spoon SE, a result of the recent business combination agreement with 468 SPAC II SE.

13.2 Significant beneficial security holders

The Group does not have a senior or ultimate holding company but has various security holders. The table below shows all significant beneficial security holders who have an accumulated interest greater than 10% of the German shares as at 30 June 2023. No entities have significant influence over the Group other than the one-vote-one-share structure as listed below:

Shareholder*	Shares	% IC
468 Capital II GmbH & Co. KG	17,229,697	23.61
Union Square Ventures	11,920,594	16.33
Mr. Sudeep Ramesh Ramnani	9,615,384	13.17
Conifer Capital Management/Acacia	8,592,446	11.77
Other security holders (individually under 10%)	25,631,696	35.12
Total	72,989,817	100%

*Shareholders as at 30 June 2023 and excluding the shareholding of Marley Spoon Group SE, which now has 84% shareholding of Marley Spoon SE.

13.3 Remuneration of members of key management including the Supervisory Board

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

Key executive management

The total remuneration is listed in the table below:

Remuneration for the six months ending (EUR in thousands)	30 June 2023	30 June 2022
Fixed annual remuneration	705	530
Share-based payments (long-term incentives)	398	150
Total compensation	**1,103**	**680**

Supervisory Board

The Supervisory Board consists of the following members: Ms. Deena Shiff, Ms. Robin Low, Mr. Christian Gisy and Ms. Judith Jungmann. Their respective terms end upon closing of the general meeting which resolves on the discharge for financial year 2023, which is expected to be scheduled in May 2024. Mr. Roy Perticucci retired from his position effective as of 30 May 2023. The Chairman of the Supervisory Board of the Company, Deena Shiff and the Chairman of its Audit Committee, Robin Low intend to retire on or around the 31st August 2023, as board succession is put in place.

For their services as a member of the Supervisory Board during the financial year 2023, each Supervisory Board member shall receive a fixed annual remuneration in the amount of EUR 66,229 (AUD 100,000). The base remuneration is inclusive of any applicable taxes, social contributions, superannuation, and other duties imposed on the respective member of the Supervisory Board. Individual board members that serve as chairman of the Company's committees receive the following additional remuneration: EUR 66,229 (AUD 100,000) (EUR 44,293 (AUD 70,000) in 2021) for the Chairman of the Supervisory Board, EUR 13,245 (AUD 20,000), both in 2022 and 2023, for the Chairman of the ARC and of the NRC Committees.

There is no equity-based remuneration for the Supervisory Board in 2022 or 2023.

14 Share-based Payments

On 30 June 2023, the Group had the following share-based payment arrangements:

Prior to its IPO, the Company issued rights under historical "virtual share plans" to most of its salaried employees which were replaced with stock options after the Company's IPO (the ESOP plans). Generally, employees were granted stock options with a vesting period of up to 48 months with a cliff period of 12 months. No owner rights, e.g., voting rights, are associated with the program. Further details of the program are provided in the Consolidated Annual Report for the year ended 31 December 2022.

The Company introduced a new employee stock option plan ("SOP") in February 2019 and August 2019, followed by subsequent grants in February 2020 and August 2020, March 2021 and August 2021 (though 2021 plans ceased to vest because performance criteria were not met), March 2022 and September 2022, as well as March 2023, 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 fair value determined at the grant date is expensed on a graded vesting scheme, with a corresponding credit in equity.

In 2022, the Company launched an additional equity award program for its employees comprised of Restricted Stock Units (RSUs). This program serves as the Company's long-term incentive (LTI) program for its non-key executive management personnel employees, while the share option program continues to serve as the Company's LTI program for Management Board members. Similar to the share option program, the RSU program has performance measures that must be met for the award to be received. The Supervisory Board, to the extent the Management Board is concerned, and the Management Board, to the extent other participants are concerned, shall: (i) select two performance measures, (ii) weigh the two selected performance measures and (iii) determine the performance targets to be achieved over the respective performance period. In so doing, the respective board is to be guided by the goal of sustainable development of the Company. Targets will be evaluated as threshold, target or stretch, the achieving or exceeding of which will equate to a range of a 50% to 125% weighting when calculating the exercisable RSUs / options. Two key differences between the RSU and share option program include: 1) provisions regarding the exercise price, waiting period and expiry date shall not apply to the RSU program and 2) RSUs will vest over a graded three-year period (20%/30%/50%) as compared to the share option program's four-year period (10%/20%/30%/40%).

During the six months ended 30 June 2023, the following transactions occurred in the Company's stock option plans:

	Number of awards
Number of awards outstanding 31 December 2022	**13,375**
Thereof: exercisable/vested	6,966
Granted during H1 2023	9,360
Forfeited during H1 2023	(1,369)
Exercised during H1 2023	-
Expired H1 2023	-
Number of awards outstanding 30 June 2023	**21,366**
Thereof: exercisable/vested	8,170

Total expenses arising from share-based payments to employee programs (ESOP, and SOP grants in 2019, 2020, 2022 and 2023; RSU 2022 and 2023) recognized during the period were EUR 382 thousand (2022: EUR 605 thousand).

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

Inputs to the Model	2023	2022	2021	2020
Value per common share (EUR)	0.10	0.38	1.97	0.28 - 3.23
Exercise price (EUR)	0.13	0.44	0.18-1.82	0.18 - 1.53
Expected volatility	92%	80%	79%	57% - 80%
Expected term (in months)	48	48	48	48
Expected dividend yield	-	-	-	-
Risk-free interest rate	3%	0%	0%	0%

15 Other Financial Liabilities

Other current financial liabilities are associated with payroll accruals and accrued costs for which the goods or services have been obtained, but the Group has not obtained the respective invoices.

16 Acquisition of Chefgood Update

As previously reported, on 4 January 2022, Marley Spoon Pty Limited, a subsidiary of the Group, acquired 100% of the share capital of Chefgood Pty Ltd (Chefgood), a Melbourne-based ready-to-heat meal provider. The fair value of the identifiable assets and liabilities of Chefgood as at the date of acquisition and the subsequent adjustments were detailed in the 2022 Annual Report.

For the six months ending 30 June 2023, there have been the following developments:

- During the first half of 2023, no impairments to goodwill were identified or recognized. Consequently, the carrying amount of goodwill remains unchanged, standing at EUR 9,016 thousand as of 30 June 2023.

- The fair value of the contingent consideration as of 31 December 2022 was EUR 4,449 thousand. In the first half of 2023, Marley Spoon settled the first earn-out with the seller. Additionally, the fair value of the contingent consideration was adjusted due to changes in actual and estimated net revenue, in line with the Group's revenue performance. The fair value change is presented in financing income. A reconciliation of the contingent consideration is provided below:

Contingent Consideration (EUR in thousands)	30 June 2023
As of 1 January 2023	4,449
Payments made to seller: first earn-out	(1,718)
Unrealised fair value changes recognised in profit or loss	(1,550)
Exchange rate difference	(96)
As of 30 June 2023	**1,085**

- The deferred tax liability comprises the tax effect of the net intangible asset uplifts, assessed based on applying the standard Australian corporate tax rate of 30%. The liability was initially recorded on 4 January 2022 at EUR 1,718 thousand and EUR 1,329 thousand as of 30 June 2023.

17 Events after the Reporting Period

Business combination agreement and listing at Frankfurt Stock Exchange

On 6 July 2023, the Company closed its business combination agreement with 468 SPAC II SE. As part of this agreement, 468 SPAC II SE, now renamed Marley Spoon Group SE ("MSG"), holds shares representing 84% of the Company. MSG's intention remains to make a direct offer, expected to launch in Q3 2023, to acquire the outstanding CDIs from the Company's CDI holders. The intention of the direct tender offer is to obtain 100% ownership of the Company as soon as practicable following completion of the direct offer, and ultimately delist the Company from the ASX. The means by which the de-listing will be affected will depend on the ownership of MSG in the Company post-closing of the direct offer.

From 13 July 2023 onward, MSG's shares are trading on the Regulated Market (General Standard) of the Frankfurt Stock Exchange under the ISIN LU2380748603 and trading symbol MS1. In addition, the Supervisory Board of the Company has also initiated a board transition, including key appointments and retirements, to enable an orderly handover to European-based directors, including Ms. Judith Jungmann who was appointed to the Supervisory Board of the Company on 25 August 2023.

Repayment to Runway Growth Finance Corp.

In July 2023, the Company made a repayment towards its principal loan balance with Runway, amounting to USD 8,610 thousand, as per the terms of an amendment to the loan agreement that was negotiated in connection with the business combination agreement with MSG.

BVB loan extension

In August 2023 Berliner Volksbank (BVB) extended the Company's EUR 5,000 thousand loan by two months to October 2023, at which time the loan will be renegotiated. The extension retains the same interest rate of 6.5% + EURIBOR per annum.

Deferral fee settlement through share issuance

Subsequent to the current reporting period, the Company settled the deferral fee liability of EUR 592 thousand related to the amendments of its debt terms with Runway. This outstanding amount was settled through the issuance of shares and was registered in the trade registry on July 4, 2023.

The Interim Condensed Consolidated Financial Statements were authorized by the Management Board on 31 August 2023.

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

Jennifer Bernstein
Chief Financial Officer, Member of the Management Board

Rolf Weber
Chief Operating Officer, Member of the Management Board

Berlin, 31 August 2023

Marley Spoon SE Directors' Declaration

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

- The Interim Condensed Consolidated Financial Statements and accompanying Notes give a true and fair view of the financial position of the Group as at 30 June 2023 and of its performance for the half-year ended on that date;

- The Interim Condensed Consolidated 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 SE 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 Founder

Jennifer Bernstein
Chief Financial Officer, Member of the Management Board

Rolf Weber
Chief Operating Officer, Member of the Management Board

Berlin, 31 August 2023

Independent Auditor’s Review Report

Report on Review of interim condensed consolidated financial statements

To the Marley Spoon SE

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Marley Spoon SE, Berlin, and its subsidiaries (‘the Group‘) as at 30 June 2023, comprising of the interim consolidated statement of financial position as at 30 June 2023 and the related interim consolidated statement of comprehensive income, changes in equity and cash flows for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (‘IAS 34‘). 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 IAS 34.

Emphasis of matter - Material uncertainty related to going concern

We refer to the information in Note 3.2 in the interim condensed consolidated financial statements in which the executive directors state that the Group’s ability to meet its financial obligations as they fall due and continue as a going concern depends on the Group’s ability to maintain a positive cash balance. Management’s forecast entails a positive cash balance for the next twelve months assuming contribution margin maintained above 30%, a reduction in general and administrative expenses as a percent of net revenue by at least 1 percentage point in the next 12 months vs. the previous corresponding period and achieving a positive operating EBITDA in 2024. The development of cash flows could be negatively impacted by macroeconomic or external factors such as continued volatile customer behavior or further cost inflation or supply chain disruptions. In case of these potential headwinds the Group’s ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by additional margin expansion and cost reduction. We thereby draw attention to the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern and that represents a going concern risk pursuant to IAS 1.

Our opinion is not modified in respect of this matter.

Berlin, 31 August 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Röders	Nasirifar
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]