

Consolidated Financial Information
2016



MarleySpoon GmbH



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Statement of Comprehensive Income

EUR in thousands	Note	2016	2015
Net sales	(1)	20.192	2.708
Cost of goods sold		(10.045)	(1.577)
Gross profit		10.147	1.131
Fulfillment expenses		(10.631)	(1.718)
Marketing expenses		(7.196)	(2.199)
General and administrative expenses		(14.922)	(6.184)
Operating income		(22.602)	(8.970)
Other income		-	-
Other expenses	(2)	(914)	-
EBIT		(23.516)	(8.970)
Net interest income & expense	(3)	(434)	-
EBT		(23.950)	(8.970)
Income tax (expense) benefit	(4)	-	-
Loss for the period		(23.950)	(8.970)
Other comprehensive income			
<i>Items that may be subsequently reclassified to Profit or Loss</i>			
currency	(5)	35	(10)
Total Comprehensive Income		(23.915)	(8.980)
Total comprehensive Income Attributable to:			
Owners of Marley Spoon		(23.915)	(8.980)
Non-controlling interest		-	-



Statement of Financial Position

EUR in thousands

Assets	Note	December 31, 2016	December 31, 2015
<u>Non-current assets</u>			
Property, plant & equipment	(6)	1,175	235
Intangible assets	(7)	60	1,052
Other financial assets	(9)	901	299
		2,136	1,586
<u>Current assets</u>			
Inventory	(8)	1,283	255
Trade & other receivables	(9)	9,645	32
Non-financial assets	(9)	505	148
Cash & cash equivalents	(10)	1,689	9,009
		13,122	9,444
Total assets		15,258	11,030
Equity and liabilities	Note	December 31, 2016	December 31, 2015
<u>Equity</u>			
Share capital	(11)	75	60
Capital reserve	(11)	40,393	20,395
Currency translation reserve	(5)	25	(10)
Other reserves	(12)	2,406	920
Accumulated net earnings (losses)		(35,543)	(11,593)
		7,356	9,772
<u>Non-current liabilities</u>			
Interest-bearing loans & borrowings	(13)	3,740	-
		3,740	-
<u>Current liabilities</u>			
Accounts payable	(14)	2,555	971
Derivative financial instruments	(13)	501	-
Other non-financial liabilities	(15)	1,106	287
		4,162	1,258
Total equity and liabilities		15,258	11,030



Statement of Cash Flows

EUR in thousands	Note	2016
Cash flow from operating activities		
Loss for the period		(23.950)
Depreciation & amortization	(2) (6) (7)	1.124
Increase in share based payments	(12)	1.486
Adjustment for Financial income & expense		434
Interest paid		(258)
Interest received		5
Increase in inventory	(8)	(1.028)
Increase in account payables	(14)	1.584
Increase receivables	(9)	(10.570)
Increase in other liabilities	(15)	817
Other non cash movements		22
Net cash from operating activities		(30.334)
Cash flow used in investing activities		
Purchases of property, plant and equipment	(6)	(1.064)
Purchases of intangible assets	(7)	(9)
Net cash from investing activities		(1.073)
Cash flow from financing activities		
Proceeds from the issuance of share capital	(11)	20.012
Increase in borrowings	(13)	4.089
Net cash from financing activities		24.101
Total cash flow		(7.306)
Cash position 31/12/2015 equivalents	(10)	9.009 (14)
Cash position 31/12/2016	(10)	1.689



Statement of Changes in Equity

EUR in thousands	Share capital	Capital reserves	Other reserves	Accumulated net earnings	Currency translation reserve	Total
January 1, 2015	44	5,512	-	(2,622)	-	2,934
Issuance of share capital	16	14,883	-	-	-	14,899
Share based payment	-	-	920	-	-	920
Profit or loss for the period	-	-	-	(8,971)	-	(8,971)
Currency translation (CTR)	-	-	-	-	(10)	(10)
Total equity movement	16	14,883	920	(8,971)	(10)	6,838
December 31, 2015	60	20,395	920	(11,593)	(10)	9,772
Issuance of share capital	15	19,998	-	-	-	20,013
Share based payment	-	-	1,486	-	-	1,486
Profit or loss for the period	-	-	-	(23,950)	-	(23,950)
Currency translation (CTR)	-	-	-	-	35	35
Total equity movement	15	19,998	1,486	(23,950)	35	(2,416)
December 31, 2016	75	40,393	2,406	(35,543)	25	7,356



Organization & segment information

MarleySpoon GmbH was incorporated in 2014 as a limited company per German law. The main activity of Marley Spoon is the delivery of meal kits to customers on 3 continents. The activities are segmented by country, which are: Australia, Austria, Belgium, Germany, Netherlands, United Kingdom and the United States of America.

Statement of compliance

Marley Spoon applies a piece-meal approach of the International Financial Reporting Standards (IFRS). Resulting from the use of the approach, no statement of compliance is expressed. For the preparation of the consolidated financial information all International Accounting Standards (IAS), IFRS and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) are fully applied, except certain disclosure requirements.

Basis for preparation

The consolidated financial information has been prepared in EUR (reporting currency) and in accordance with the requirements of IFRS as adopted by the European Union and German law.

The fiscal year of MarleySpoon GmbH and its subsidiaries equals the calendar year.

Within the separate financial information of the group companies, transactions in foreign currencies - i.e. not in the company's reporting currency, EUR - are translated into the reporting currency at the month-end rates from the European Central Bank (ECB). Monetary assets and liabilities stated in a foreign currency are translated at year-end rates and, non-monetary assets and liabilities in a foreign currency are stated at historical rates. Exchange rate differences arising from translations are presented on the Statement of Comprehensive Income.

Within the consolidated financial information for subsidiaries whose functional currency is not EUR, the following procedures are applied to translate their separate financial statements prepared in local currency into EUR: assets and liabilities are converted at the year-end rates, income and expenses of a certain month are translated at the individual month-end rates. Equity contributions and loans of the parent to its subsidiaries are measured at historical rates, i.e. they are not remeasured at the subsequent reporting dates. The arising exchange rate differences are presented separately within equity as a currency translation reserve (CTR). These exchange rate differences are transferred to the Statement of Comprehensive Income, if the subsidiary is no longer part of the consolidation. Transactions in the Statement of Comprehensive Income are translated at the month rates.

In addition, exchange rate differences arising from the translation of shares in foreign subsidiaries and intercompany loans, which are part of the net investment in a foreign subsidiary, are recognized within equity in the consolidated financial information. These exchange rate differences are transferred to the Statement of Comprehensive Income, if the foreign subsidiary is no longer included in the (basis of) consolidation.



Subsidiaries located in a hyperinflation country as defined in IAS 29 do not exist. The following exchange rates were used to prepare the consolidated financial information of MarleySpoon GmbH:

	Closing rate	
	December 31, 2016	December 31, 2015
1 United States Dollar (USD)	EUR 0.9487	EUR 0.9185
2 United Kingdom Pound (GBP)	EUR 1.1680	EUR 1.3514
3 Australian Dollar (AUD)	EUR 0.6851	EUR 0.6713

Assets and liabilities are stated in the Statement of Financial Position either as current or non-current items. Assets and liabilities are classified as current, if they are realized or due within 12 months after the end of the reporting period. The “nature of expenses” method is used to prepare the Statement of Comprehensive Income. Assets and liabilities as well as income and expenses are not offset, unless it is required by IFRS.

In the consolidated financial information, MarleySpoon GmbH and its (material) subsidiaries over which MarleySpoon GmbH has control in the sense of IFRS 10, are fully consolidated. The subsidiaries follow the accounting policies of the parent company. Intercompany liabilities as well as intercompany expenses and income (including profits/losses thereof) between fully consolidated companies are eliminated as part of the consolidation process.

The preparation of financial information in line with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets and liabilities, income and expenses. The true result may differ from these estimates.

First-time adoption of IFRS

For the fiscal year 2016, MarleySpoon GmbH presents its first annual report complying with IFRS. The retrospective application of IFRS began not until January 1, 2016.



Summary of significant accounting policies

Property, plant & equipment

Property, plant & equipment are initially recognized at their cost of purchase. Costs of purchase comprise the purchase price plus ancillary purchase costs less purchase price reductions. Subsequently, they are measured at cost less accumulated depreciation, impairment losses and reversal of impairment losses. If there is an indication of impairment, the property, plant & equipment is tested for impairment. Property, plant & equipment have a useful life between three and fifteen years and are depreciated on a straight-line base.

The adequacy of the selected depreciation method and the useful lives are subject to an annual review. The expectations regarding the residual values are also updated annually.

Intangible assets

Intangible assets do not include self-developed items but do contain acquired assets. Since no clear distinction between the research phase and the development phase is made, no self-developed intangible assets are recognized. The acquired intangible assets are initially recognized at their acquisition costs, which includes the purchase price plus ancillary purchase costs less purchase price reductions.

Intangible assets are subsequently measured at their historical costs less accumulated amortization, impairment losses and reversal of impairment losses. Intangible assets are amortized on a straight-line base over their expected useful life which is between one to five years. If there is an indication of impairment, the intangible asset is tested for impairment. The expectations regarding the residual value are also updated annually. The adequacy of the selected amortization method and the useful lives are subject to an annual review.

Other assets

Financial assets other than receivables are measured at amortized costs or fair value. If necessary, an impairment is recognized. Receivables are measured at their nominal value, as far as a lower value is not appropriate. Foreseeable risks are recognized as a provision for specific doubtful debts, not netted against the receivable. Other assets are measured at their nominal value, unless a lower value is appropriate.

Cash & cash equivalents

Cash & cash equivalents are measured at the nominal value on the reporting date. Cash & cash equivalents comprise cash at banks, at payment service providers (PSP) or in hand.



Provisions

Legal or constructive obligations where it is difficult to estimate the amount and/or the timing of its usage are recognized as provisions. If such difficulties are not associated with legal or constructive obligations, they are recognized as liabilities.

Provisions arising from a legal or constructive obligation resulting from a past event are recognized at the best estimate as specified in IFRS when the outflow of economic resources is more probable than not. Long term provisions over 12 months are discounted. The arising interest expense is recognized within the interest expense line in the Statement of Comprehensive Income.

If it is likely that a provision will be refunded, for example as a result of an insurance policy, the refund is recognized as a separate asset only if it is as good as certain. The income from refunds is also not netted with the expenses.

Liabilities

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the borrowing period using the effective interest method.

Other financial liabilities are measured at the amount to be paid. Financial liabilities are no longer reported when they have been resolved, that is, if the obligations specified in the contract is settled, cancelled or expired.

Sales

Sales are driven by the delivery of meal kits to customers and recognized once the goods have been delivered and cash collection is reasonably ensured. Net sales is defined as gross sales minus redeemed vouchers/discounts.

Interest income & expense

Interest income and expense are recognized in the Statement of Comprehensive Income using the effective interest method in the period in which the income or expense arise.

Expenses

Expenses are recognized in the Statement of Comprehensive Income at the point at which the service is used or at the point at which the expenses are incurred.



Income tax

Income tax are calculated based on the tax rates enacted or substantially enacted at the balance sheet date. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset in respect to temporary differences or tax losses carried forward is only recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized.

Consolidation

Subsidiaries are entities controlled by MarleySpoon GmbH. MarleySpoon GmbH controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements since MarleySpoon GmbH holds full control. Intercompany transactions occur on an arms-length basis, but are eliminated for consolidation purposes. The consolidated financials contain the following fully consolidated subsidiaries:

- MarleySpoon Pty. Ltd. (Australia)
- Marley Spoon GmbH (Austria)
- Marley Spoon B.V. (The Netherlands)
- MarleySpoon Ltd. (United Kingdom)
- Marley Spoon Inc. (United States of America)



Notes

Notes to the Statement of Comprehensive Income

(1) Sales

EUR in thousands	2016	2015
Gross sales	23,338	3,272
Vouchers/discounts	(3,146)	(564)
Net sales	20,192	2,708

(2) Other expenses

EUR in thousands	2016	2015
Impairment of intangible assets	(914)	-
Other expenses	(914)	-

(3) Net interest income & expense

EUR in thousands	2016	2015
Interest income	5	-
Adjustments for derivative financial instruments	(37)	-
Interest expenses	(402)	-
Net interest income & expenses	(434)	-

(4) Income taxes

The total historic losses accumulate to EUR 35,543 thousand resulting in a potential deferred tax asset of EUR 10,940 thousand (2015: 3,394 thousand). Since Marley Spoon currently has no tax planning available to recover these losses, no deferred tax asset has been recognized in the Statement of Financial Position. The following tax rates were used for the deferred tax calculation above: Germany 29.65%, United Kingdom 20%, Netherlands 25%, United States 44.50%, Australia 30% and 25% for Austria.

(5) Currency translation reserve (CTR)

EUR in thousands	2016	2015
Result from currency exchange losses	(362)	-
Result from currency exchange gains	397	(10)
Currency translation reserve	35	(10)

Reserves comprise capital reserves and cumulative translation adjustments. Cumulative translation adjustments arise from the translation of the financial statements of Marley Spoon Inc. (USD), MarleySpoon Ltd. (GBP) and MarleySpoon Pty Ltd. (AUD) from their respective functional currency to the reporting currency EUR.

Exchange differences arising on translation of the foreign controlled entity are recognised in the CTR as listed in the Statement of Comprehensive Income.



Notes to the Statement of Financial Position

(6) Property, plant & equipment

EUR in thousands

Historical costs			
	Property, plant & equipment	Pre-payments	Total
January 1, 2016	255	-	255
Additions	1,064	-	1,064
Transfers	-	-	-
Disposals	-	-	-
Currency translation differences	-	-	-
December 31, 2016	1,319	-	1,319
Depreciation			
	Property, plant & equipment	Pre-payments	Total
January 1, 2016	(20)	-	(20)
Regular additions	(124)	-	(124)
Impairment losses	-	-	-
Transfers	-	-	-
Disposals	-	-	-
Currency translation differences	-	-	-
December 31, 2016	(144)	-	(144)
Book values			
	Property, plant & equipment	Pre-payments	Total
January 1, 2016	235	-	235
December 31, 2016	1,175	-	1,175

**(7) Intangible assets**

EUR in thousands

Historical costs			
	Developed intangible assets	Acquired intangible assets	Total
January 1, 2016	-	1,052	1,052
Additions	-	8	8
Transfers	-	-	-
Disposals	-	-	-
Currency translation differences	-	-	-
December 31, 2016	-	1,060	1,060
Amortization			
	Developed intangible assets	Acquired intangible assets	Total
January 1, 2016	-	-	-
Regular additions	-	(86)	(86)
Impairment losses	-	(914)	(914)
Transfers	-	-	-
Disposals	-	-	-
Currency translation differences	-	-	-
December 31, 2016	-	(1,000)	(1,000)
Book values			
	Developed intangible assets	Acquired intangible assets	Total
January 1, 2016	-	1,052	1,052
December 31, 2016	-	60	60

The current balance contains externally developed commercials which are amortized over the course of one year. Self-developed assets associated with research and development are not capitalized. The impairment losses recognized in 2016 are related to the Kochabo rebranding in Austria.

(8) Inventory

The individual items of inventory are valued at historical costs. Inventory write downs are expenses in the Statement of Comprehensive Income. The inventory balance contains food and packaging items with a net balance of EUR 1,283 thousand (2015: EUR 255 thousand).



(9) Trade & other receivables and other assets

EUR in thousands	December 31, 2016			December 31, 2015		
	Current	Non-current	Total	Current	Non-current	Total
Trade & other receivables	9,645	-	9,645	32	-	32
Other financial assets	-	901	901	-	299	299
Non-financial assets	505	-	505	148	-	148
Trade & other receivables and other assets	10,150	901	11,051	180	299	479

Trade & other receivables include amounts due from customers for goods sold or services performed in the ordinary course of business (EUR 152 thousand) and the receivable for share capital issued on 23 December 2016, for which Marley Spoon holds a legal claim to cash (EUR 9.493 thousand). Other financial assets are driven by security deposits for office- and fulfilment center rentals (non-current). The non-financial current assets are driven by prepayments and the VAT receivables against tax authorities. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days or less and therefore are all classified as current.

(10) Cash & cash equivalents

EUR in thousands	December 31, 2016	December 31, 2015
Cash and cash equivalents	1,689	9,009
Bank guarantees	-	-
Cash & cash equivalents available for use	1,689	9,009

(11) Equity

Shares in share capital have a par value of 1 EUR. As of 31 December 2016, MarleySpoon GmbH had issued 74,518 shares (2015: 59,671) for a share premium of EUR 40,393 thousand, which is presented as the capital reserve (2015: EUR 20,395 thousand) in the Statement of Financial Position.

The other reserves contain the equity incentive plan for employees and media for equity contracts, as set out in note 12. The movements in equity are set out in the Statement of Changes in Equity.



(12) Other reserves

The other reserves include a balance for the Virtual Share Program (VSP) for employees with a value of EUR 1,852 thousand and the Media for Equity reserve with a value of EUR 554 thousand.

Employee Virtual Share Program (equity-settled)

In 2014, MarleySpoon GmbH set up a VSP. The VSP participation rights have a par value of EUR 1,852 thousand (2015: EUR 920 thousand) and certain vesting conditions. Generally, employees are granted shares over a period of 48 months with a cliff period of 12 months.

In case of an initial public offering of Marley Spoon, the participation rights can be converted into company stocks. No owner rights, e. g. voting rights, are associated with the program.

The following table summarizes the key figures of the vested virtual shares as of December 31, 2015 and December 31, 2016.

EUR in thousands	Assigned shares	Carrying amount of obligation
Shares granted in prior year(s)	1,922	920
Shares granted in 2016	1,327	932
Total value as of December 31, 2016	3,249	1,852

Media for equity contracts

MarleySpoon GmbH has obtained media services in exchange for equity. A reserve is established at fair value once the service is provided. The total media for equity services provided in 2016 is EUR 554 thousand.

(13) Interest-bearing loans & borrowings

Marley Spoon has a loan with a carrying amount of EUR 3,740 thousand at 31 December 2016 (2015: 0). This loan is repayable over a period of 3 years with an option warrant, which has a net current value of EUR 501 thousand and is recorded as a derivative financial instrument. The expense arising from changes in fair value after the date it was issued is EUR 37 thousand.

In the context of the loan agreement, Marley Spoon granted a warrant, which is classified as a derivative financial liability at the date of initial recognition and initially recognized at fair value which is then deducted from the redemption value of the loan along with transaction costs and amortized over the period of the loan using the effective interest method.

Subsequent measurement of the warrant is also based on fair value. An option pricing model (binomial model) is used to determine the fair value of the warrant at the relevant dates. Gains and losses arising from changes in fair



value are recognized in the Statement of Comprehensive Income under the interest expense line in the period during which they arise.

(14) Accounts payable

Accounts payable are mainly linked to the company's food purchases, general and administrative, fulfilment, and marketing expenses with a net balance of EUR 2,555 thousand (2015: EUR 971 thousand). Trade payables are unsecured and are usually paid within 30 days of recognition.

(15) Other non-financial liabilities

EUR in thousands	December 31, 2016			December 31, 2015		
	Current	Non-current	Total	Current	Non-current	Total
Personnel related liabilities	189	-	189	44	-	44
Payroll tax & social security liabilities	299	-	299	129	-	129
Other liabilities & deferred income	618	-	618	114	-	114
Total other non-financial liabilities	1,106	-	1,106	287	-	287



Notes to the Statement of Cash Flows

The Statement of Cash Flows shows the changes in cash and cash equivalents which are available for use by MarleySpoon GmbH in the year under review and was prepared in accordance with IAS 7 Statement of Cash Flows. The cash flows are broken down into operating, investing and financing activities. MarleySpoon GmbH uses the indirect method for showing its cash flows.

Cash & cash equivalents in the Statement of Financial Position have a residual maturity of less than three month (cash in hand and cash at banks). Further information on this matter is available in note (10) Cash & cash equivalents on page 16 and for the change in cash in the Statement of Cash Flows on page 6.

Other disclosures

(16) Contingent assets and liabilities

Contingent assets and liabilities did not exist as of December 31, 2016 (2015: 0).

(17) Other financial obligations

Various enterprises of MarleySpoon GmbH have entered into operating lease agreements. Subject to those operating lease is office space and fulfillment centers. Amounts of future minimum payments arising from these agreements are set out in the following table.

EUR in thousands	2016
Less than 1 year	1,036
1 - 2 years	620
2 - 3 years	2,898
3 - 4 years	1,161
4 - 5 years	-
More than 5 years	-
Total	5,715

**(18) List of shareholdings**

Entity	Nominal shares	Ownership in %
AKW Capital UG	16,157	21.69%
Mex Attax GmbH	3,000	4.03%
MSSA-KG	3,154	4.24%
Global Founders Capital GmbH	18,253	24.49%
Lakestar I LP	6,904	9.26%
Marley Spoon GmbH	132	0.18%
QD Investments LTD	7,455	10.00%
MSSB-KG	2,576	3.46%
Luxor	6,380	8.56%
MSET-UG	5,728	7.68%
Rocket Internet Capital Partners SCS	2,953	3.96%
Rocket Internet Capital (Euro) SCS	1,826	2.45%
Total	74,518	100.00

Berlin, 16th February 2016

Fabian Siegel
CEO

Till Neatby
Co-founder