MARLEY SPOON

ANNUAL FINANCIAL STATEMENTS 2019

Marley Spoon AG, Berlin

Marley Spoon AG, Berlin

Contents

Management report for the 2019 financial year of Marley Spoon AG

I. General information about the business model

Marley Spoon AG ("Marley Spoon", or "the Company") sells meal kit subscriptions over the internet. On its homepage customers can choose from a selection of recipes, which changes every week. Recipes can be selected on the website or using an app.

The meal kits are assembled at the company's production location in the Netherlands and are delivered once a week on the date selected by the customer. Using a flexible subscription model, customers can easily skip deliveries or put them on hold. The meal kits are commonly paid before delivery (cashless).

The Company, which is based in Berlin, was founded in 2014; it did not have any branch offices in Germany as of the closing date.

Marley Spoon AG has subsidiaries, which are based in the Netherlands, Austria, United States and Australia and sell meal kits in their respective national markets, whereas the Dutch entity also delivers to Belgium, Denmark and Sweden. An additional Portuguese subsidiary operates a shared service centre, which is mainly providing customer communications services to the Group's clients globally Marley Spoon AG itself sells meal kits solely in the German market.

II. Research and Development

Marley Spoon is continually striving to improve products and service levels, streamline operations, reduce costs and pursue projects that will deliver future economic benefits. Although Marley Spoon does not have a research and development department in the traditional sense, the Digital Team, which reports to the Chief Technology Officer, focuses on the development of software tools that are used in many functions across the Group.

In 2019, for example, among these tools was the rollout of an Enterprise Resource Planning (ERP) software to the Netherlands and Austria, which enabled the company to expand its business by establishing a reliable and scalable back-end for operations and finance through the management, deployment, integration and customization of the Microsoft Dynamics NAV ERP system. Another example was the further development of a data warehouse, which integrates multiple operational databases, manually generated lists and tools used internally by different departments, aggregated, transformed and made accessible through a visualization tool, which is useful for creating reports and dashboards for process optimization. Marley

Spoon has also invested in a centralised tool for managing recipes and menus, which simplifies recipe creation and management processes and provides a holistic view of recipe development through to customer release and back-end procurement. Ziplog is an internal front-end tool designed primarily for our customer communications and logistics teams to give them a better overview of the Company's logistics network, and where internal and external users can easily track and update customer deliveries.

In 2019, Marley Spoon capitalised developed software of EUR 1.9 million, of which EUR 0.7 million was amortized. Total research and development expenses in the calendar year were EUR 3.3 million (previous year: EUR 1.9 million).

III. Economic report

1. Overall economic and industry environment

According to the Federal Statistics Office, the global economy grew by 3.1% in 2019, thus slightly lower than 2018[1]. The same is true for Germany, whose economy also grew in 2019. Based on initial forecasts, the price-adjusted gross domestic product (GDP) was 0.6% higher than the previous year. This means that the German economy has grown for the tenth year in a row[2].

2. Business developments

The year 2019 was another year of strong growth for Marley Spoon, as sales revenues reached EUR 15,200 million, which is 19% higher than in the previous year. This significant increase is due to the company's marketing and sales activities was driven by the acquisition of new users as well as a high rate of repeat orders from existing customers. In the management's view, the business did well regarding the successful sales growth in 2019 and was in line with expectations. Operating growth is also reflected in higher total expenditures and in particular higher expenses for personnel.

[1] Cf. Federal Statistics Office (Destatis)

[2] Cf. Federal Statistics Office (Destatis)

Marley Spoon uses several financial performance indicators, the most significant ones are net revenue, contribution margin, and EBIT:

Net revenue	Represents amounts received for goods supplied i.e. gross revenue net of promotional discounts, customer credits, refunds and VAT plus internal revenues from charging services to subsidiaries
Contribution margin	Represents gross profit less fulfilment expenses, where gross profit means net revenue less cost of goods sold
EBIT	Represents earnings before interest and tax

A low to mid double-digit growth in sales was expected for 2019. The 19% year-on-year sales growth achieved was in line with expectations. The company expected a negative EBIT and a net loss in the low single-digit million range. Due to the higher than expected administrative costs, EBIT and net income are slightly below the forecast figures.

3. Situation

The net assets, financial position and results of operations for Marley Spoon AG in the 2019 financial year were characterized by the continued growth in revenues, and total expenditures grew accordingly due to the Company's growth strategy. The Company has not yet reached the break-even point and continues to rely on external funds to finance its business operations. Nevertheless, the net loss for the year has been significantly reduced. This is mainly due to the higher contribution margin sales and the improved financial result, with increased selling and administrative costs. Overall, the 2019 financial year is assessed as positive based on growth targets that have been achieved.

a) Results of operations

The company's results of operations are shown in the following shortened income statement.

in EUR thousand	**2019**	**2018**
Revenues	15,200	12,789
Costs to generate the revenues	-12,427	-10,762
Contribution margin	**2,773**	**2,072**
Distribution costs	-4,078	-3,615
General & administrative costs	-5,423	-4,660
Other operating income	35	32
EBIT	-6,693	-6,171
Other interest and similar income	4,484	2,361
Interest and similar expenses	-2,769	-5,930
EBT / net loss	**-4,978**	**-9,740**

Revenues increased from EUR 12.789 million in 2018 to EUR 15.200 million in 2019. This development was mainly driven by the significant growth in orders as well as the charge-out of license fees to the subsidiaries in the amount of EUR 7.540 million (previous year: EUR 6.554 million). License fees and other services are charged to compensate for the services that are provided to the subsidiaries. Costs to generate the revenues increased from EUR 10.726 million in 2018 to EUR 12.427 million in 2019. The increase was mainly due to the production costs for goods of EUR 4.753 million (previous year: EUR 4.236 million).

The contribution margin was positive at EUR 2.773 million. Contribution margin as a percentage of revenues was 18.2% (previous year: 16.2%). Adjusted for the recharging effect from the license fees and other services in the revenues, this figure changes to 10.5% (previous year: 4.9%), which means that in 2019 this figure was again positive. For calculating that number, license fees for the subsidiaries in the amount of EUR 7.540 million (previous year: EUR 6.554 million) are taken out of sales revenues and associated costs in the amount of EUR 5.570 million (previous year: EUR 4.785 million).

The distribution costs mainly consist of advertising costs (mostly from online marketing). The increase of EUR 0.463 million to EUR 4.078 million was due to the use of online marketing and media services to acquire new customers. In 2019, the company continued to hire additional staff for the operational areas of the organization and the administration within the company, which led to an increase in general & administrative costs. This resulted in a slight deterioration in EBIT.

Because of the continued operating losses, the company also took on additional debt capital in the financial year. This has resulted in interest expenses of EUR 2.769 million (prior year EUR 5.930 million). Interest expenses in the prior year included EUR 4.781 million of financing costs for convertible bonds.
The significant increase in loans to foreign subsidiaries also led to higher interest income for 2019 (EUR 4.484 million compared to EUR 2.361 million).

This led to an increase of EBT to EUR -4.789 million (prior year EUR -9.740 million).

b) Financial position

The liquidity of Marley Spoon AG was secured throughout the 2019 financial year. The company's financial position is characterized by the close connection to its foreign subsidiaries, particularly in the form of loans, which secured the solvency of the subsidiaries during the financial year. An overview of the current financial position is shown in Section IV.

On the closing date, cash and cash equivalents amounted to EUR 1.1 million (prior year: EUR 3.5 million). The EUR 2.4 million year-on-year decline in cash and cash equivalents resulted from cash outflows from investing activities (EUR -29.2 million) and operating activities (EUR -11.9 million), which were largely offset by the positive cash flow from financing activities (EUR 38.9 million).

The negative cash flow from investment activities mainly relates to loans to subsidiaries (EUR 27.5 million). Due to the business model of Marley Spoon AG, investment activity in other areas of fixed assets is relatively low. In 2019, investments in intangible assets were made, mainly for self-developed software (EUR 1.9 million).

The positive cash flow from financing activities results from proceeds from capital increases (EUR 3.9 million) as well as from borrowings of EUR 34.962 million.

The negative cash flow from operating activities results from the net loss for the year and from changes in working capital in current liabilities and trade payables.

The company was always able to meet its payment obligations during the financial year. For 2020, the Management Board assumes that all existing payment obligations can be met.

The equity ratio as at December 31, 2019 is 63% (previous year 85%).

c) Net assets

Net assets are shown with an abridged balance sheet:

in EUR thousand				
ASSETS	**31.12.2019**		**31.12.2018**	
Fixed assets	102,207	98.1 %	73,617	94.0 %
Current assets	1,795	1.7 %	4,446	5.7 %
Prepaid expenses	139	0.1 %	218	0.3 %
Total assets	**104,140**	**100 %**	**78,281**	**100 %**
LIABILITIES	**31.12.2019**		**31.12.2018**	
Equity capital	65,147	62.6 %	66,148	84.5 %
Provisions	1,069	1.0 %	503	0.6 %
Liabilities	37,924	36.4 %	11,630	14.9 %
Total assets	**104,140**	**100 %**	**78,281**	**100 %**

Total assets as at 31 December 2019 were EUR 104.140 million, which was EUR 25.859 million higher than in the previous year. Marley Spoon AG’s assets consist mainly of shares and loans to affiliated companies and short-term assets. Fixed assets grew by 38.8% compared to the previous year, mainly as a result of loans to Marley Spoon AG subsidiaries. Additionally, investments in self-developed software (EUR 1.516 million) resulted in an increase in fixed assets. Current assets decreased by 59.6% in 2019.

The liabilities side consists mainly of the equity capital as well as loan liabilities that were utilized in 2019 to finance the company's operations. The equity capital decreased by EUR 1.001 million to EUR 65.147 million. This development was mainly driven by the loss for the year of EUR -4.978 million (prior year EUR -9.740

million), partly offset by an increase of share capital due to capital increases (EUR 3.959 million) during the year. The increase in liabilities by EUR 26.294 million resulted from the further raising of loans and convertible bonds in the amount of EUR 34.962 million, which were offset by repayments of loans of EUR 8.982 million.

The liabilities to several financial service providers amounting to EUR 36.843 million have a maturity of 1 to 5 years. The remaining liabilities of EUR 1.080 million have a maturity of up to one year. The provisions of EUR 1.069 million include provisions for holidays as well as provisions for outstanding invoices and for costs of financial statements and audits. On the closing date, Marley Spoon AG reports a loss carry-forward of EUR -31.472 million and a loss for the year of EUR -4.978 million.

IV. Outlook

According to the Federal Statistical Office, Germany's GDP was supposed to increase by 1.1% compared to the previous year.[3] In light of the so-called Covid-19-Pandemic, however, a significant decline of up to 9% of GDP is currently expected.[4] Contrary to this trend, the Management Board of Marley Spoon AG expects an increase in private spending in the area of food deliveries, which should lead to a significant increase in revenues. This forecast is supported by the continued marketing measures, which are supposed to generate significant numbers of new customers and increase the number of orders and the attractiveness of the brand. At the same time, it is anticipated that total expenditures will also rise compared to the previous year as a result of the continuation of the growth strategy. Compared to 2019, the Company expects revenues to grow in the mid double-digit range.

The improved rate of the contribution margin is expected to lead to an improvement in the negative EBIT and in the net loss. Management expects a negative EBIT and a net loss in the low single-digit million range for the financial year 2020. Management bases its assumption about the financial developments in the market and in the industry on estimates that are considered realistic based on the available information. However, these estimates are also fraught with uncertainties and there is the risk that the forecast developments do not occur, or do not occur to the extent that has been forecasted. Due to the COVID-19 pandemic and related government measures, the Management Board sees a short-term increase in the volume of orders for meal kit boxes since the middle of March 2020. The extent to which this effect is sustainable cannot yet be estimated.

In 2020, the company plans to provide additional loans to its foreign subsidiaries and undertake significant investments based on the expansion and further development of the existing software to secure the expected future growth.

[3] Cf. IMK (Statista), based on the data of the Federal Statistical Office

[4] Cf. according to an updated calculation by the economic research institute IfW Kiel of March 2020

The activities of Marley Spoon AG are subject to different risks, which are described in the risk report below. Where possible, measures to protect against current risks have been initiated.

V. Going concern

The financial statements were prepared based on the assumption that the company will continue its operations. Based on the externally procured funds in the 2019 fiscal year and also again in January 2020, and taking into account the second tranche of WTI's senior secured loan, which the Management Board considers highly probable to be paid out, the Company has sufficient resources to continue its business operations in the foreseeable future. In addition, the Management Board expects that the shareholders will authorize it at the Annual General Meeting to issue convertible bonds to Union Square Ventures (USV III-WSV). Finally, at the Extraordinary General Meeting on January 29, 2020, the Management Board was authorized to increase equity by up to 50% of the currently issued share capital by way of a non-transferable subscription offer, if the Management Board considers this measure suitable to provide the Company with additional equity.

VI. Opportunity and risk report

1. Risk report

1.1. Internal control system

The Management Board of Marley Spoon AG is fully responsible for establishing and operating an effective risk management system in the Marley Spoon Group. According to the executive organization chart for the Management Board, risk management is the responsibility of Julian Lange (CFO). He is supported by the General Counsel and the Head of Global Controllership. As with its other obligations, the Management Board is advised and supervised by the company's Supervisory Board with regard to the effectiveness of the internal control system and the entire risk management system. Given the importance of this topic, the Supervisory Board established the Risk and Audit Committee - ARC) as a permanent committee. During the reporting period, the ARC was headed by Patrick O'Sullivan. Following his resignation as a member of the Supervisory Board with effect from 29 January 2020, Mr O'Sullivan was replaced by Ms Robin Low, who has held the position of Chairman of the ARC since then.

As part of the internal control system, Marley Spoon set up a system of controls for financial reporting, which is supposed to identify, evaluate and manage risks that could affect the orderly preparation of the annual financial statements and the consolidated financial statements for the company. Therefore, it includes preventative and investigative monitoring and controlling measures for the accounting and operational functions. The control system is based on various internal processes that have a major effect on financial reporting.

These control processes for financial reporting and the relevant risks are regularly analysed and documented. The same is true for the analysis of control mechanisms, particularly the following: definition of principles and procedures, definition of processes and controls, introduction of approval levels, application of the principle of the division of tasks, and identification of the optimal course of action. The internal control system is regularly reviewed by the CFO and the ARC.

1.2 Risk reporting and methods

The CFO is responsible for the identification of significant risks and their analysis, management and for employing appropriate counteractive measures. A Risk Management System (RMS) is used in the assessment of Marley Spoon's business operations in order to ensure consistency in risk management and, ultimately, compliance with laws and regulations.

Relevant risks are recorded in an internal risk register (RR) within the scope of the RMS. The Company's General Counsel continuously updates and enhances the RR based on contributions from various team leaders. Countermeasures and obligations are classified in the RR based on risk. A comprehensive risk assessment is carried out twice a year based on the RR and depicted in a risk management matrix (RMM), which comprises another key element of the RMS. The RMM is intended to provide the Management Board and the ARC with relevant information on Marley Spoon's risk exposure and mitigation measures, enabling informed decisions to be made and risks to be appropriately addressed. The regular reporting process is complemented by ad hoc reporting when critical issues arise. Within the scope of the RMS, all relevant risks that have been identified and documented in the RR are expressed as figures according to their probability, i.e. probability of occurrence as well as potential consequences, and then entered into the RMM. All risks are assessed on a net risk basis (taking into account existing mitigation measures). The probability of occurrence refers to the statistical or estimated probability of occurrence of a risk during the reporting time horizon (usually within one year of the assessment date). This is then expressed as a percentage. The probability of occurrence is determined by selecting one of the ranges of probability listed in the table below:

Probability	**Assessment**
Certain	80% ≤ Risk ≤ 100%
Probable	60% ≤ Risk < 80%
Possible	40% ≤ Risk < 60%
Unlikely	20% ≤ Risk < 40%
Rare	0% < Risk < 20%

The potential consequence of a risk which occurs with certainty is seen as a deviation from corporate policies. Assessments are to be made on a quantitative scale as a matter of preference. Alternatively, a qualitative scale is applied if a risk cannot be expressed in figures or if qualitative aspects predominate (e.g. compliance risks):

Consequence (i.e. impact on operations, net assets, results of operations and/or net cash flow)	**Assessment**
Catastrophic	Risk ≥ EUR 10 million
Significant	EUR 5 million ≤ Risk < EUR 10 million
Moderate	EUR 2.5 million ≤ Risk < 5 million EUR
Low	0.25 million EUR ≤ Risk < 2.5 million EUR
Immaterial	EUR 0 million ≤ Risk < EUR 0.25 million

All identified risks are classified and visualized in the RMM as follows based on the assessment of the probability of occurrence and consequence:

Probability (0%-100%)

	Immaterial	Low	Moderate	Significant	Catastrophic
Certain	AVERAGE	AVERAGE	HIGH	VERY HIGH	VERY HIGH
Probable	LOW	AVERAGE	HIGH	VERY HIGH	VERY HIGH
Possible	LOW	AVERAGE	HIGH	HIGH	VERY HIGH
Unlikely	LOW	LOW	AVERAGE	HIGH	HIGH
Rare	LOW	LOW	LOW	AVERAGE	HIGH

Consequences (EUR 0 million to EUR 10 million)

The RMM allows the relative priority of risks to be compared and increases transparency regarding overall risk potential within the Marley Spoon Group. The classification of risks from “LOW” to “VERY HIGH” is used to determine which information on which risk must be provided in more detail to the Executive Board and the Supervisory Board. Risks that could affect Marley Spoon's ability to continue as a going concern are reported immediately upon identification.

1.3 Risk areas

The operating history of the Marley Spoon Group is limited (since 2014) and operations are based on a relatively new business model. Among its competitors are offline food retail suppliers, online/offline food suppliers, first-time adopters offering meal kits, and potential new entrants, all of which make it difficult to assess future risks and challenges. If the Company fails to maintain and increase demand for its products or effectively adapt its services to changes in customer behaviour, it may not be able to retain active customers and attract new ones. Marley Spoon also relies on third parties to supply ingredients and deliver its meal kits. This can have a significant negative impact on its business and reputation (e.g. if suppliers fail to comply with legal requirements).

The Management Board determines the overall risk situation by evaluating the following risk categories as the result of a consolidated examination:

- Financing risks
- Credit and fraud risk
- Regulatory risks and legal risks
- Financial and reporting risks
- Operational risks

Financing risks

In light of substantial equity financing via public capital markets, developments and risks inherent to these capital markets may directly affect Marley Spoon. Marley Spoon's growth strategy requires additional capital. The company's day-to-day operations continue to be partially financed by negative working capital. The Marley Spoon Group continues to rely on external financing to maintain the business given its still-negative cash flow. The Marley Spoon Group therefore is dependent on the financial strength of existing and future stakeholders and their willingness to invest in the business.

Marley Spoon's ability to promptly provide complete and verified information on the Group's status and development is another critical success factor. The disclosure of incorrect or incomplete information may, among other things, lead to reputational damage. In the current market environment, this could have a negative impact on relationships with investors or even lead to a loss of investors. In order to properly manage relationships with investors, the Management Board, with the support of Supervisory Board members, has taken measures to continuously improve the Company's communications with its existing and potential investors.

With effect from 27 January 2020, the Company and the two investment funds managed by Union Square Ventures (USV) concluded another unsecured loan agreement, this time for a total of USD 2.500 thousand (USV GAV CLA III). The USV CLA III has a term of 3 years. It bears a fixed interest rate of 12% p.a., which will only be due if the company does not replace the USV GAV CLA III with two additional convertible bonds totalling USD 2,500,000 (USV III Bonds). The issue of the USV III Bonds is subject to the approval of the shareholders, which the Company intends to obtain at its Annual General Meeting 2020.

Based on the approval of the shareholders at the Extraordinary General Meeting on 15 March 2018 for the issue of four convertible bonds totalling approximately EUR 12 million, and issued shortly thereafter by the Executive Board, Marley Spoon currently has a sufficient liquidity cushion to cover its capital requirements for financing its operating business.

In light of these considerations, the Management Board considers this risk to be low.

Credit and fraud risk

Customers ordering through the Marley Spoon Group's websites and apps can choose from a variety of payment methods, including but not limited to credit cards, direct debit and invoice. Due to the variety and complexity of payment methods, the Marley Spoon Group is exposed to the risk of technical problems when completing the order. This could have a negative effect on the number of visitors who actually decide to buy its meal kits.

Incorrect instructions or transfers of orders or payments also give rise to potential risks in relation to customer complaints. There is also the risk that customers may not have sufficient funds and the risk of fraud (e.g. through identity fraud committed by third parties). If losses from fraudulent transactions cannot be avoided or limited, this may have a negative impact on our operations and could result in higher legal fees. The possibility of further online payment options and the associated increase in the risk of card fraud could lead Marley Spoon to comply with additional security requirements and/or to pay higher payment processing fees or even fines.

In light of these considerations, the Management Board considers this risk to be low.

Regulatory and legal risks

The sale of food for human consumption entails certain legal and other risks. Perishable and fresh products in particular account for a significant proportion of the ingredients in meal kits. It is possible that these perishable products may become inedible or their consumption may become unsafe if the Company fails to implement adequate temperature control mechanisms, miscalculates delivery times or fails to inform customers accurately about expected delivery times. There is also a risk of contamination of food products, which can occur at any point in the supply chain. Marley Spoon’s internal quality, legal and compliance teams continuously promotes compliance with relevant legal and regulatory requirements through regular monitoring and review.

In light of these considerations, the Executive Board considers this risk to be low.

Financial and reporting risks

Marley Spoon’s Executive Board has implemented a system of internal controls over financial reporting to manage and reduce financial and reporting risks.

Marley Spoon considers the following to be part of financial risk:

- Market risk (i.e. changes in market prices, foreign exchange risk and interest rate risk),

  Product price risk is the risk that changes in the market prices of key ingredients used in the Group may affect the Group’s results of operations. The Group manages production price risk using a detailed menu design and planning process that is aligned with specified cost targets. Significant increases in production prices are mitigated by alternative products or a change in future formulations.

  Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Financial instruments denominated in a currency other than the measured functional currency are exposed to foreign exchange risk. The Group operates in international markets through locally established subsidiaries, which is why most of its transactions are conducted in local currency. As all companies only hold balances in their functional currency (settled by the end of the month on an intercompany basis), there is no foreign currency risk and therefore no disclosure requirement.

  Interest rate risk is the risk that future cash flows from financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to changes in interest rates arising from its portfolio of interest rate sensitive assets and liabilities. These mainly comprise liabilities and cash. The Group partially manages its interest rate risk through fixed interest rates on loans and does not enter into any derivative financial instruments to manage its interest rate risk.

- Credit risk

  Credit risk is the risk that a counterparty fails to meet its contractual obligations and that the Group incurs financial losses as a result. Credit risks may arise because the Company offers various payment methods and other transactions with counterparties. The credit risk in the operating business is mainly in the form of trade receivables and security deposits with banks and financial institutions. The nature of the business limits the risk to trade receivables as customers generally pay before delivery and therefore no relevant information is disclosed.

- Liquidity risk

  Liquidity risk is the risk that an entity will experience difficulties in meeting obligations related to financial liabilities. Management regularly monitors cash on hand and cash movements. The aim of liquidity risk management is to maintain a balance between continuity of financing and flexibility through the use of overdraft facilities, credit cards and bank loans. The company's liquidity management includes the projection of cash flows in the major currencies and the consideration of the amount of cash and cash equivalents required to cover this liquidity, the monitoring of balance sheet liquidity ratios and the maintenance of equity and debt financing plans.

Financial risks are described in Note 10 of the consolidated financial statements. The Management Board considers this risk to be moderate.

Operational risks

Dependence on customer acquisition and retention

Marley Spoon's growth depends largely on acquiring new customers and retaining existing ones.

Only a satisfied customer base is loyal and active, which is crucial for the Company's continued growth. Customer communications must therefore perform well and ensure that customer complaints are dealt with promptly and effectively. The Marley Spoon Group responds to customer inquiries and complaints via email, chat, telephone hotlines and social media. Any actual or perceived unsatisfactory response from our customer communications team could have a negative impact on customer loyalty and retention.

In light of these considerations, the Management Board considers this risk to be moderate.

Third party procurement and perishable products

Perishable products (protein, vegetables, etc.) make up an essential part of the ingredients in our cooking boxes. Although the company is constantly expanding our direct relationships with producers, the Marley Spoon Group still relies on wholesalers to deliver these products just-in-time. If the exact quantities required to procure new products or to calculate the quantities required for our meal kits cannot be predicted, this may result in our order quantities not matching, which in turn may affect the freshness of our ingredients. The Marley Spoon Group attempts to minimise these risks through a carefully planned ordering process. Suppliers are subject to a standardized, comprehensive onboarding process and ongoing evaluation by the internal quality and safety team. Ingredients are inspected for quality upon receipt and kept at a low temperature until they are delivered to Marley Spoon's customers.

In light of these considerations, the Executive Board considers this risk to be low.

Key employees, optimization of operational processes

Marley Spoon continues to rely on the strong commitment of its founder and CEO Fabian Siegel. The same applies to the CFO (Julian Lange) and the other members of the extended Executive Team. The unexpected departure or loss of any of them could adversely affect Marley Spoon's net assets, financial position and results of operations. The same applies to any unexpected decline in their personal performance. Given the current market environment, it may not be possible to find suitable replacements for these employees and/or suitable candidates for newly created positions on time or at all. In order to keep these risks as low as possible, the Company has introduced recruitment and integration processes as well as instruments for the efficient evaluation and administration of its applicants and employees. Marley Spoon also has a salary and benefit systems to adequately reflect and reward its team's contributions to its continued success.

In light of these considerations, the Management Board considers this risk to be low.

Dependence on technology

The Marley Spoon Group operates exclusively online (website, mobile apps) and not through physical outlets and is therefore dependent on the software and hardware technology underlying this infrastructure. Marley Spoon's wide range of recipes for our customers and the flexibility to adjust or cancel menu up to a few days before the scheduled delivery date is also a challenge for supply chain management. The Marley Spoon Group therefore relies on its technology and data to forecast demand and predict customer orders. This technology is the key to determining the quantities of ingredients and other supplies needed and to optimizing logistics for delivering Marley Spoon's meal kits to its customers. If this technology fails or delivers inaccurate results, Marley Spoon could experience bottlenecks in key ingredients or increased food waste. In addition, the operational efficiency of Marley Spoon's supply chain may suffer, or customers may experience delays or defects in their cooking boxes (e.g. missing ingredients).

Marley Spoon invests considerable sums in the modular (partial) automation of its production processes. The same applies to the implementation of an efficient ERP tool.

In light of these considerations, the Management Board considers this risk to be low.

Covid-19 implications

On the one hand the outbreak of COVID-19 and government countermeasures have caused a surge in demand for Marley Spoon's home delivered meal kits in all markets since the middle of March. On the other hand, COVID-19 and future governmental responses may impact the performance, the ability of upholding high levels of food safety and fulfilment rates, as well as safeguarding the health of its employees.

Marley Spoon had to make some investments to meet these challenges (e.g. by introducing a tightened access and hygiene concept in the fulfilment centres).

In light of these considerations, the Management Board considers this risk to be moderate to low.

1.4 Overall risk assessment

The Marley Spoon Group carries out systematic and regular analyses of business risks with the aid of early risk detection systems. This minimizes identified risks through targeted measures such as risk avoidance, risk limitation, risk diversification and risk insurance. The Company continues to be dependent on external financing sources to cover its financing requirements. With effect from 27 January 2020, the Company and the two investment funds managed by Union Square Ventures (USV) concluded another unsecured loan agreement, this time for a total of USD 2.500 thousand (USV GAV CLA III). The USV CLA III has a term of 3 years. It bears a fixed interest rate of 12% p.a., which will only be due if the company does not replace the USV GAV CLA III with two additional convertible bonds totalling USD 2,500,000 (USV III Bonds). The issue of the USV III Bonds is subject to the approval of the shareholders, which the Company intends to obtain at its Annual General Meeting 2020. Marley Spoon currently has a sufficient liquidity cushion to cover its capital requirements for financing its operating business.

2. Opportunities Report

The grocery sector remains one of the largest categories of consumer spending. However, unlike other sectors, most of grocery spends are happening offline. The channel switch from offline to online shopping could accelerate and catch-up with other sectors. As Marley Spoon positions itself at the forefront of innovation in serving consumers cooking needs, the Company should be positioned to benefit from such a channel switch.

Over the past years, there is a trend in consumers looking for convenient and healthy options for dinner. Marley Spoon aspires its brands to be recognized for its health benefits as well as for its convenience and should benefit from the continuation of this trend.

Marley Spoon sees the further development of a customised (make-to-order) supply chain as an opportunity to achieve additional margin benefits and/or cost savings on the basis of an order forecast derived directly from consumer behaviour.

By expanding the selection, improving personalization, and introducing additional delivery options, the company is striving to continually expand and improve its services for customers. Such improvements could help to expand the overall target market by better meeting customer preferences and increasing customer loyalty and lifetime value.

Marley Spoon entered into a 5-year strategic partnership with Woolworths Group in June 2019 with the aim of achieving operational synergies and marketing Marley Spoon and Dinnerly meal kits to the Woolworths customer base in Australia. Partnering with Australia's largest grocery retailer may yield additional operational and marketing benefits, which could help profitability and growth.

Due to the COVID-19 pandemic and related government measures, the Management Board sees a short-term increase in the volume of orders for meal kit boxes. The extent to which this effect is sustainable cannot yet be estimated.

VII. Closing statement of the Management Board (Dependency Report)

The Management Board of Marley Spoon AG submitted the Dependency Report prescribed by Section 312 of the German Stock Corporations Act ("AktG") to the Supervisory Board and made the following concluding statement: "There were no reportable legal transactions or other actions of the Company during the reporting period. Also, no actions at the Company were omitted during the reporting period that would lead to a reporting obligation."

Berlin, 30 April 2020

Executive Board:

Fabian Siegel (Vorsitzender, CEO)

Julian Lange (CFO)

Annual financial statements for the financial year from January 1 to December 31, 2019

Balance sheet as at December 31, 2019

Assets	31 Dec 2019 EUR	31 Dec 2018 EUR
A Fixed Assets		
I. Intangible fixed assets		
Internally generated concessions, industrial property rights and similar rights and assets	2,452,735	1,179,600
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	1,015,912	1,025,940
Total intangible fixed assets	3,468,647	2,205,540
II. Tangible fixed assets		
1. Technical equipment and machinery	96,978	177,510
2. Other equipment, operating and office equipment	172,927	229,000
Total tangible fixed assets	269,905	406,510
III. Financial assets		
1. Shares in affiliated companies	13,020,570	13,015,570
2. Loans to affiliated companies	85,447,501	57,989,541
Total financial assets	98,468,071	71,005,111
Total fixed assets	**102,206,623**	**73,617,160**
B. Current Assets		
I. Inventories Finished goods and merchandise	8,419	250,019
II. Receivables and other assets		
1. Trade receivables	249,895	137,067
2. Other assets	420,279	678,217
III. Cash-in-hand, central bank balances, bank balances and checks	1,115,960	3,380,594
Total current assets	**1,794,554**	**4,445,897**
C. Prepaid expenses	**138,866**	**218,846**
Total assets	**104,139,866**	**78,280,903**

Balance sheet as at December 31, 2019

Equity and Liabilities	**31 Dec 2019 EUR**	**31 Dec 2018 EUR**
A. Equity		
I. Subscribed capital	158,520	140,470
shares	-132	-132
II. Capital reserves	101,438,730	97,479,526
III. Accumulated losses	-36,449,920	-31,472,075
	65,147,198	**66,147,788**
B. Provisions		
Other provisions	**1,068,958**	**502,908**
C. Liabilities		
1. Borrowings and bonds - of which convertible EUR 34,342,949 - of which due after more than one year EUR 34,342,949 (prior year: EUR 0)	34,342,949	0
2. Liabilities to banks - of which due within one year EUR 104,459 (EUR 151 thousand) - of which due after more than one year EUR 2,500,000 (EUR 2,500 thousand)	2,604,459	2,650,757
3. Trade liabilities - of which due within one year EUR 779,283 (EUR 1,545 thousand)	779,283	1,544,808
4. Other liabilities - of which taxes EUR 146,403 (EUR 158 thousand) - of which social security obligations EUR 27,749 (EUR 363 thousand) - of which due within one year EUR 197,020 (EUR 537 thousand) - of which due after more than 1 year EUR 0 (EUR 6,898 thousand)	197,019	7,434,642
	37,923,710	**11,630,207**
Total equity and liabilities	**104,139,866**	**78,280,903**

Income statement

for the period from

1 January to 31 December 2019

	2019 EUR	2018 EUR
Revenues	15,200,381	12,797,882
Costs to generate the revenues	-12,426,671	-10,726,322
Contribution margin	**2,773,710**	**2,071,560**
Distribution costs	-4,078,282	-3,615,145
General & administrative costs	-5,423,203	-4,659,490
Other operating income	34,553	32,275
Other interest and similar income	4,484,134	2,360,669
Interest and similar expenses	-2,768,665	-5,929,973
Earnings after taxes	**-4,977,753**	**-9,740,104**
Other taxes	-92	-329
Net loss	**-4,977,845**	**-9,740,433**
Losses carried forward from previous years	-31,472,075	-21,731,642
Accumulated losses	**-36,449,920**	**-31,472,075**

Notes
to the financial statements 2019
of Marley Spoon AG, Berlin

I. General information

Marley Spoon AG changed its legal form from a company with limited liability to a stock corporation ("Aktiengesellschaft" or "AG") under German law, taking effect on May 2, 2018. The company has its registered office in Berlin and is registered in the commercial register of the district court Charlottenburg with the registration number: HRB 195994 (previously: HRB 158261).

As of the reporting date of December 31, 2019, Marley Spoon AG is a medium-sized capital company according to the definition in § 267 HGB. The company utilizes the size-related exemptions of § 288 para. 2 HGB. The annual financial statements are prepared in accordance with the accounting rules for capital companies of the German Commercial Code (HGB), taking into account the German Stock Corporate Act (AktG) as well as the provisions of the Articles of Association of the Company.

The income statement has been prepared in accordance with the cost of sales method pursuant to § 275 para 3 HGB.

The financial statements have been prepared in Euro (EUR); all amounts are shown in thousand Euro units, unless otherwise noted.

In the interest of clarity and transparency, the notes that must accompany the items of the balance sheet and income statement according to legal requirements, as well as the notes that can be optionally included in the balance sheet or income statement, have wherever possible been included in the Notes to the Financial Statements.

The annual financial statements have been prepared under the assumption of the going concern principle.

Marley Spoon AG as parent company has prepared consolidated financial statements according to IFRS on December 31, 2019 as required in the European Union. The group of consolidated companies consists of Marley Spoon AG and the subsidiaries Marley Spoon GmbH in Austria, Marley Spoon B.V. in the Netherlands, Marley Spoon Inc. in the USA, Marley Spoon Ltd. in Great Britain, Marley Spoon Unipessoal Lda in Portugal and Marley Spoon Pty Ltd. in Australia.

II. Accounting policies and valuation methods

For the preparation of the annual financial statements, the following accounting and valuation methods were applied:

Assets

Fixed Assets

Intangible fixed assets acquired from third parties as well as internally generated are recognized at (acquisition) cost and amortized on a straight-line basis over their probable useful life of 3 to 10 years.

Tangible fixed assets are valued at acquisition or manufacturing cost less scheduled straight-line depreciation and write-downs. Tangible fixed assets are depreciated according to the probable useful life of 3 to 15 years. Depreciation on additions to tangible fixed assets is always pro rata temporis. To the extent the fair values of individual assets fall short of their book value, additional write-downs are made in the event of anticipated permanent reduction in value.

Low-value assets with values between EUR 250 and EUR 800 are written off in the year in which they are acquired.

Financial assets are recognized at acquisition cost or in the event of anticipated permanent reduction in value at the lower of cost or fair value. Loans to affiliated companies are recognized at nominal value. If the reasons for an impairment loss recorded in prior years no longer apply, the impairment is reversed.

Current Assets

Inventories are valued at acquisition or manufacturing cost, taking into account the lowest value principle. All identifiable inventory risks arising from above-average shelf life, reduced usability and/or lower replacement costs are taken into account through appropriate reductions. No simplification or averaging methods were used. Loss-free valuation was taken into account, i.e. corresponding devaluations were made to the extent the estimated selling prices less the costs incurred up to the sale result in a lower fair value.

Receivables and other assets are recognized at the lower of nominal and fair value on the reporting date. For receivables whose collectability is subject to identifiable risks, appropriate deductions are made; uncollectible receivables are written off.

Bank balances are valued at nominal value on the reporting date.

Prepaid expenses that represent expenses prepaid for the following year are recognized and released on a straight-line basis over the term of the liabilities.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. To determine the amount of deferred tax assets, which can be calculated on the basis of the expected time and the amount of the future taxable profits in conjunction with future tax planning strategies, a significant management judgement is necessary.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is not or no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Unrecognized deferred tax assets are valued at each reporting date and recognized to the extent that it has become probably that future taxable profits will allow realization of the deferred tax assets.

Marley Spoon AG has historical tax losses that have the potential to reduce the tax payments in the coming years. Currently no tax planning options are available to the Company that would partially support the recognition of these losses as deferred tax assets. On that basis Marley Spoon AG has determined that it cannot claim any deferred tax assets on the tax loss carry-forwards or the tax expense associated with them.

Equity and Liabilities

The **subscribed capital** is reported at nominal value.

Treasury shares are openly deducted from subscribed capital. The difference between the theoretical value (nominal value) and the acquisition cost of treasury shares is offset against the freely available capital reserves. Incidental acquisition costs are recognized as expenses in the fiscal year.

Other provisions include all known risks and contingent liabilities, as well as future expected price and cost increases. They are recognized at the settlement amount that is deemed appropriate according to reasonable business judgment

The **liabilities** are accounted with their respective settlement value.

Assets and liabilities in a foreign currency are generally recognized at the historical exchange rate at the time of initial recognition and at the reporting date at the spot exchange rate. For items with a remaining life of more than one year, the realization principle according to section 252 (1) No. 4 HGB and the historical cost principle according to section 253 (1) sentence 1 HGB have been applied.

III. Explanatory notes to income statement items

Fixed Assets

The development of the individual items of fixed assets, including amortization, depreciation and write-downs for the financial year, is presented in the statement of changes in fixed assets.

In 2019, Marley Spoon capitalized self-developed software of EUR 1,869 thousand, of which EUR 722 thousand were written off. Total research and development expenses in 2019 amounted to EUR 3,310 thousand (2018: EUR 1,911 thousand).

The **shares in affiliated companies and investments** (shareholdings) reported under financial assets are broken down as follows:

Name	Location	Amount of the share in capital in %	Equity in EUR thousand	Annual result in EUR thousand
Marley Spoon GmbH	Böheimkirchen, Austria	100	-3,939	-917
MarleySpoon Ltd.	Birmingham, UK	100	-2,764	-142
Marley Spoon B.V.	Nieuwegein, Netherlands	100	-12,529	-3,494
Marley Spoon Inc.	New York, USA	99	-57,408	-23,318
MarleySpoon Pty. Ltd.	Sydney, Australia	100	-18,271	-6,745
Marley Spoon Unipessoal Lda	Lisbon, Portugal	100	-300	-305

The information on equity capital and the annual result of the companies originates from the annual reports prepared under the particular national accounting standards as at December 31, 2019.

Receivables and other assets

As of the reporting date, there were receivables from VAT in the amount of EUR 247 thousand (previous year EUR 436 thousand) and trade receivables amounted to EUR 250 thousand (previous year: EUR 137 thousand). Deposits included in other assets were EUR 129 thousand (previous year EUR 197 thousand). The residual maturities of the receivables and other liabilities total less than 1 year. There are no receivables from shareholders (previous year: EUR 0 thousand).

Equity

On December 31, 2018, subscribed capital amounts to EUR 158,520 (previous year: EUR 140,470) in nominal shares. 132 of these shares are company held treasury shares (previous year: 132). All shares issued as at 31 December 2019 and 2018 are fully paid up. The shares have no par value.

With the authorisation granted by resolution of the Annual General Meeting on 29 August 2019, the share capital was increased by 9,850.00 euros to 158,520.00 euros by means of a capital increase. The capital increase was implemented by virtue of entry in the commercial register on 20. December 2019. The Management Board is authorised to increase the share capital with the approval of the shareholders.

The total amount of the payments above the nominal value was reported as a capital reserve in the balance sheet. The item shows a value of EUR 101,439 thousand at the end of the financial year (previous year: EUR 97,479 thousand).

As of 31 December 2019, the Management Board is authorised by resolution of the Annual General Meeting on 29 August 2019 and after partial utilisation, to increase the Company's share capital by up to EUR 64,485.00 until 28 August 2024 (Authorised Capital 2019/I). The Authorised Capital 2019/I was cancelled in full by resolution of the Annual General Meeting on 29 January 2020. By resolution of the Annual General Meeting on 29 January 2020, the Management Board was authorized to increase the Company's share capital by an amount of up to EUR 67,960 until 28 January2025. 67,960.00 (Authorized Capital 2020/I) and by an amount of up to 11,300.00 euros (Authorized Capital 2020/II).

As of December 31, 2019, the issued and authorized share capital, including the conditional capital, amounts to a total of EUR 297,340.

Provisions

Other provisions as at

December 31, 2019 consist primarily of provisions for unused vacation in the amount of EUR 192 thousand (previous year: EUR 192 thousand), provisions for outstanding invoices in the amount of EUR 717 thousand (previous year: EUR 217 thousand) as well as provisions for consulting and audit fees in the amount of EUR 160 thousand (previous year: EUR 94 thousand).

Liabilities

Total liabilities at the reporting date amount to EUR 37,924 thousand (previous year: EUR 11,630 thousand). These primarily consist of loan commitments with a term of 1-5 years, which are recognized with a settlement amount of EUR 36,843 thousand (previous year: EUR 9,398 thousand). There are no loan commitments of over five years.

The maturity dates of other liabilities total in the amount of EUR 0 (prior year: EUR 6,898 thousand) are longer than one year and in the amount of EUR 197 thousand (prior year EUR 537 thousand) less than 1 year. Liabilities from wages and salaries, payroll tax and social security agencies amount to EUR 174 thousand (previous year: EUR 407 thousand).

Virtual share program for employees (ESOP)

Marley Spoon grants selected employees virtual shares to strengthen their ties to the company and allow them to participate through a stake in the future performance of the company. The existing ESOP was converted into an option program under which the beneficiaries were granted stock options as part of the Company's IPO in July 2018. The virtual shares did not constitute voting rights or similar rights in the company. Virtual participation does not confer any shareholder rights or options to holders with the subscription of company shares. No payments were made in return for such shares. At the end of the financial year, the number of issued shares under the ESOP was 6,309 (previous year: 6,669).

In addition, the Company introduced two new employee stock option plans (SOPs), under which employees were granted stock-based compensation in February and August 2019. For equity-settled transactions, the total amount to be recognized for services received is determined by reference to the fair value of the share-based compensation award at the grant date. The options were granted at an exercise price of EUR 0.27 (February) and EUR 0.40 (August). At the end of the financial year, the number of shares issued under the SOPs was 4,595 (previous year 0).

The option not to recognize virtual shares has been exercised in the statutory annual financial statements i.e. no expense is recognized.

IV. Explanatory notes to income statement items

Revenues

Revenues amounted to EUR 15,200 thousand (previous year: EUR 12,798 thousand) and primarily resulted from the sale of goods EUR 7,660 thousand (previous year: EUR 6,164 thousand) and from services to affiliated companies EUR 7,540 thousand (previous year: EUR 6,554 thousand).

Cost to generate revenues

Cost of sales includes manufacturing costs for goods in the amount of EUR 5,570 thousand (previous year: EUR 4,788 thousand).

Cost of materials

The cost of materials under the definition of § 275 para. 2, sentence 5 HGB (total cost method) consists of the following:

in EUR thousand	**2019**	**2018**
Cost of raw materials, consumables and supplies	3,012	2,774
Total	3,012	2,774

Personnel expenses

The personnel expenses under the definition of § 275 para. 2, sentence 6 HGB (total cost method) are broken down as follows:

in EUR thousand	**2019**	**2018**
Wages and salaries	7,251	7,573
Social security, post-employment and other employee benefit costs	1,196	1,270
thereof: pension provision	*12*	*8*
Total	8,447	8,843

Interest income

Interest income is broken down as follows:

in EUR thousand	**2019**	**2018**
Other interest and similar income	4,484	2,361
thereof from affiliated companies	*4,483*	*2,161*
Total	4,484	2,361

Interest expenses

The interest expenses for long-term liabilities amounted to EUR 2,769 thousand (2017: EUR 5,930 thousand).

V. Other disclosures

Other financial obligations

Marley Spoon AG has obligations under existing leases for leased office space. The amounts of future minimum payments under these agreements are listed in the following table.

in EUR thousand	**31 Dec 2019**
< 1 year	245
1 - 2 years	207
2 - 3 years	207
> 3 years	467
Total	**1,126**

Contingent liabilities

Except for default guarantees to subsidiaries, there are no contingent liabilities that would be of significance for the financial position of the Company.

Management

Members of the Management Board in the 2019 financial year were:

Fabian Siegel, CEO, New York (USA), since 2 May 2018
Julian Lange, CFO, Berlin, since 2 May 2018

Information on compensation is not disclosed in accordance with § 286 (4) HGB.

Supervisory board

The members of the Supervisory Board in the 2019 financial year were:

Deena Shiff, Chairman of the Supervisory Board, since 05 June 2018

Patrick O'Sullivan, Member of the Supervisory Board, since 05 June 2018

Kim Anderson, Member of the Supervisory Board, since 05 June 2018

Christoph Schuh, Member of the Supervisory Board, since 13 April 2018

The members of the supervisory board received a total compensation of EUR 132 thousand (2018: EUR 215 thousand). They 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 Management 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. Furthermore, 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.

During the Supervisory Board Initial Term, the Members will receive (a) 50% of their base compensation in shares (calculated at the offer price of EUR 899 per one thousand CDIs (CHESS Depository Interests) whereby 1,000 CDIs represent 1 share) and issued to the respective member for a subscription price of EUR 1 per share and (b) the remainder in cash. Shares in respect of the entire Supervisory Board Initial Term were issued to members upon the completion of the settlement of the IPO, but if the member does not serve in that capacity for the entire Supervisory Board Initial Term, a proportion of such member's shares will be transferred back by the member as directed by the Company (that proportion reflecting the proportion of the Supervisory Board Initial Term not served as a member). Members of the Supervisory Board will receive CDIs on completion of the settlement of the IPO in respect of their entitlement to shares, which has an accounted position of EUR 155 thousand (graded vesting) as per 31 December 2019.

For the financial year ending 31 December 2019, the cash compensation payable to the current members of the Supervisory Board amounted to approximately EUR 132 thousand (AUD 210 thousand) in aggregate (excluding their shares).

Number of employees

The Company employed on average 178 employees in the financial year. Of this total 174 were salaried employees and 4 were wage earners (previous year: 216, 170 salaried employees and 46 wage earners).

Subsequent events after the end of the financial year

The following material events occurred after the end of the financial year are reported below:

- With effect from 27 January 2020, the Company and the two investment funds managed by Union Square Ventures (USV) concluded another unsecured loan agreement, this time for a total of USD 2.500 thousand (USV CLA III). The USV CLA III has a term of 3 years. It bears a fixed interest rate of 12% p.a., which will only be due if the company does not replace the USV GAV CLA III with two additional convertible bonds totalling USD 2,500,000 (USV III Bonds). The issue of the USV III Bonds is subject to the approval of the shareholders, which the Company intends to obtain at its Annual General Meeting 2020.

- On 29 January 2020, the extraordinary general meeting (außerordentliche Hauptversammlung) of the Company has authorized the issuance of the USV II Bonds, the WOW III Bond and the WTI warrants, and created the underlying authorized / conditional capital (genehmigtes / bedingtes Kapital). Furthermore, Ms. Robin Low was appointed new member of the Supervisory Board (Aufsichtsrat) replacing Mr. Patrick O'Sullivan. In addition, the Management Board was authorized to raise equity in an entitlement offer of up to 50% of its current issued share capital in case the Management Board considers such measure appropriate to provide additional equity funding to the Company. Said authorization is subject to further conditions and expires on 29 July 2020.
- On 26 February 2020, the Company exercised its right to substitute the USV CLA II by issuing to USV the USV II Bonds in the aggregate amount of USD 2,776 thousand. These convertible bonds were issued against the repayment and other claims under the USV CLA II being contribution in kind (Sacheinlage) into the Company. Consequently, the USV CLA II was fully repaid and ceased to exist on 26 February 2020.
- On 26 February 2020, the Company exercised its right to substitute the WOW SCLA II by issuing to WOW the WOW III Bond in the amount of AUD 4,047,250. This convertible bond was issued against the repayment and other claims under the WOW SCLA II being contribution in kind (Sacheinlage) into the Company. Consequently, the WOW SCLA II was fully repaid and ceased to exist on 26 February 2020.
- On 26 February 2020, the Company issued the WTI warrants to WTI

The coronavirus SARS-CoV-2 and the associated respiratory disease COVID-19 are spreading worldwide with high dynamics. The measures implemented to contain the pandemic, in particular contact bans, closures of shops and public facilities and border closures, increase the risk of a global recession and negative effects on the willingness of companies to invest and consumers to spend are to be expected. Nevertheless, the Management Board does not expect any significant negative consequences for the company. Please refer to the management report for further details.

No other material events that would need to be reported occurred after the end of the financial year.

Proposed appropriation of earnings

The financial year 2019 resulted in a net loss. The Management Board proposes that the accumulated loss will be carried forward.

Marley Spoon AG

Berlin, 30 April 2020

Management Board:

Fabian Siegel (Vorsitzender, CEO)

Julian Lange (CFO)

Statement of changes in fixed assets at December 31, 2019

		Acquisition and production cost				Accumulated amortization, depreciation and impairment				Net book values	
		01.01.2019	Additions	Disposals	31.12.2019	01.01.2019	Additions	Disposals	31.12.2019	31.12.2019	31.12.2018
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR k
I.	**Intangible assets**										
1.	Internally generated industrial and similar rights and assets	1.206.664,00	1.515.943,36	0,00	2.722.607,36	27.064,00	242.808,37	0,00	269.872,37	2.452.734,99	1.180
2.	Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	1.210.994,75	353.425,88	95.432,55	1.468.988,08	185.054,93	323.724,90	55.703,72	453.076,11	1.015.911,97	1.026
		2.417.658,75	1.869.369,24	95.432,55	4.191.595,44	212.118,93	566.533,27	55.703,72	722.948,48	3.468.646,96	2.206
II.	**Property, plant and equipment**										
1.	Technical equipment and machinery	212.279,25	30.152,76	89.125,09	153.306,92	34.769,12	46.922,88	25.362,87	56.329,13	96.977,79	178
2.	Office and other equipment	545.435,56	49.187,03	12.845,00	581.777,59	316.435,62	99.390,44	6.975,89	408.850,17	172.927,42	229
		757.714,81	79.339,79	101.970,09	735.084,51	351.204,74	146.313,32	32.338,76	465.179,30	269.905,21	407
III.	**Financial assets**										
1.	Shares in affiliates	14.015.570,24	5.000,00	0,00	14.020.570,24	1.000.000,00	0,00	0,00	1.000.000,00	13.020.570,24	13.016
2	Loans to affiliates	60.357.169,98	27.457.960,59	0,00	87.815.130,57	2.367.629,71	0,00	0,00	2.367.629,71	85.447.500,86	57.990
		74.372.740,22	27.462.960,59	0,00	101.835.700,81	3.367.629,71	0,00	0,00	3.367.629,71	98.468.071,10	71.005
		77.548.113,78	29.411.669,62	197.402,64	106.762.380,76	3.930.953,38	712.846,59	88.042,48	4.555.757,49	102.206.623,27	73.617