MARLEY SPOON

ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT 2022

Marley Spoon SE, Berlin

Marley Spoon SE, Berlin
(formerly Marley Spoon AG)

Management Report for the 2022 financial year of Marley Spoon SE

I. General information about the business model

The principal business activity of Marley Spoon SE ("Marley Spoon", or "the Company") is to create original recipes which are sent along with 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-apportioned ingredients delivered to their doorstep by third-party logistics partners.

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 through various payment service providers (cashless).

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

Marley Spoon SE's global operations currently span ten countries: Australia (AU), Austria (EU), Belgium (EU), Denmark (EU), Germany (EU), the Netherlands (EU), Portugal (EU), the United Kingdom (EU), the United States of America (US) and until March 2023, Sweden (EU). The subsidiaries in the Netherlands, Austria, United States and Australia sell meal kits in their respective national markets, whereas the Dutch entity also manufactures meal kits that are delivered to Germany, Belgium, Denmark and Sweden. The Portuguese subsidiary operates a shared service center which primarily provides customer communications services to all Marley Spoon customers globally. Marley Spoon SE itself sells meal kits exclusively in the German market.

II. Product Development

Marley Spoon continuously strives to improve its products and service levels, optimize its operations, reduce costs, and pursue projects that will create a future economic benefit. Marley Spoon's Product (reporting to the Chief Marketing and Product Officer) and Engineering (reporting to the Chief Technology Officer) teams are focused on developing software solutions for the Company's customers and software tools for use by the wider business across all functions.

In 2022, significant progress was made on Marley Spoon's digital technology, with advancements made on its product offering, data and operational capabilities. The Company introduced the Market feature which provides customers with the ability to purchase add-ons such as pantry items or ready-to-heat meals as part of their weekly box. The core platform was also improved to provide increased pricing flexibility across recipes.

Data science was leveraged in several areas of the company, such as launching a new, improved recommendation system, ingredient forecasting that helps the Company reduce waste and the inclusion of food costs into the algorithm for recipe rankings. Additionally, Chefgood, the Company's ready-to-heat (RTH) acquisition, was integrated into the data warehouse while all technical systems and applications were migrated into Amazon Web Services, increasing the resilience and security of the technical stack.

In the Company's fulfillment centers, handheld scanners were introduced and integrated with a warehouse management system, improving global inventory accuracy. A new production line monitoring system was also introduced, providing transparency on important operational metrics such as line speed and downtime. Finally, Marley Spoon introduced new technology helping the handling and reporting of incidents, now providing an improved escalation process that leads to better customer communication.

Marley Spoon capitalized EUR 6,6 million of self-developed software in fiscal year 2022. The Company recognized EUR 4,1 million of amortization expense. Total product development expense for 2022 was EUR 10,1 million (2021: EUR 8,7 million).

III. Economic report

1. Economic outlook and industry overview

Economic outlook

2022 was a year of significant wage and input cost inflation for Marley Spoon. Produce, protein and fuel prices in particular saw double digit inflation, which the Company was able to offset partially with pricing, improved negotiations with raw material suppliers and logistics carriers and operational efficiencies. While the outlook for inflation is improved in 2023 according to the International Monetary Fund's (IMF) January 2023 World Economic Outlook, it is still expected to remain above pre-Covid levels at 6,6% in 2023 and 4,3% in 2024. As it did in 2022, Marley Spoon can consider price increases along with other initiatives, such as adjusting recipes according to ingredient costs, to offset inflation.

However, it should be noted that while a slowdown in inflation is expected in 2023 vs. 2022, the end of 2022 also saw a worsening of consumer confidence and business sentiment, particularly in Europe. A continuation or escalation of the war in Ukraine and interest rate increases to temper inflation are softening certain financial sectors. Marley Spoon's multi-brand strategy, which includes Dinnerly, a more value-oriented brand, the recent launch of "Super Saver" recipes and attractive discounts for new meal kit subscribers, should help buffer the Company against a worsening economic environment however the degree to which recession fears may impact the business is still unknown (see Risk report).

2. Business development

During the financial year 2022, despite a significantly inflationary environment and operational challenges, the Company managed to increase contribution margin as compared to the prior year aided in part by pricing changes across the Company's brands. Revenues reached EUR 39,3 million, a 4% increase as compared to 2021 (37,8 million).

Marley Spoon uses several financial performance indicators, most significantly net revenue, contribution margin and operating EBITDA:

Net revenue	The revenues for goods supplied, defined as gross revenue net of promotional discounts, customer credits, refunds and VAT, plus internal revenues from charging services to subsidiaries
Contribution margin	Gross profit less fulfilment expenses, where gross profit means net revenue less cost of goods sold
Operating EBITDA	Earnings before interest, tax, depreciation and amortization (EBITDA), excluding the effects of special items as well as significant items of income and expenditure that are the result of an isolated, non-recurring event, such as costs incurred in association with a merger or acquisition. This is an indicator for evaluating operating profitability.

3. Position of the Company

In 2022, Management expected revenue to grow in the low double-digit range and contribution margin to be in line with 2021. Management also expected a negative Operating EBITDA in the low single-digit million range for the financial year 2022.

Due to the muted consumer confidence that began to emerge in 2022 (and that continues into 2023) stemming from macroeconomic conditions, the revenue increase of 4% was below Management's expectations. Contribution margin expanded vs. the prior year, though if adjusting for intercompany charges, contribution margin contracted due to a high level of inflation that the Company was not able to fully absorb. Operational issues also resulted in lower-than-expected margin. Finally, Operating EBITDA was negative, as expected, but at a higher rate than anticipated due to the revenue and margin shortfall as well as an impairment of intercompany loans and receivables in the amount of EUR 46,5 million.

a) Earnings position

EUR in thousands	**31.12.2022**	**31.12.2021**
Revenue	39.310	37.752
Costs to generate the revenue	-26.261	-25.849
Contribution Margin	13.050	11.903
Distribution costs	-6.560	-9.435
General & administrative costs	-63.002	-9.156
Other operating income	15	58
EBIT	-56.497	-6.630
Other interest and similar income	6.818	5.570
Interest and similar expenses	-1.308	-1.650
EBT	-50.987	-2.710
Other taxes	0	0
Net loss	-50.987	-2.710

Revenue increased from EUR 37,8 million in 2021 to EUR 39,3 million in 2022. This development was mainly driven by the charge-out of license fees and other services to the subsidiaries in the amount of EUR 17,1 million (previous year: EUR 14,7 million). Costs to generate the revenues increased from EUR 25,8 million in 2021 to EUR 26,3 million in 2022, driven by significant wage and input cost inflation in 2022.

The 2022 contribution margin (CM) was positive at EUR 13,0 million and represents 33,2% as a percentage of revenue (previous year: 31,5%). Adjusted for the recharging effect from the license fees and other services in the revenue, this figure changes to 12,2% (previous year: 15,6%), a contraction compared to 2021 impacted by inflation and operational challenges. For calculating that number, license fees for the subsidiaries in the amount of EUR 17,1 million (previous year: EUR 14,7 million) and associated costs in the amount of EUR 6,8 million (previous year: EUR 6,4 million) are removed from revenue and costs to generate the revenue, accordingly.

Distribution costs, mainly consisting of online marketing and media services costs, decreased by EUR 2,9 million or 30,5% year-on-year because of the Company's deliberate decision to reduce marketing spend in line with its strategy to focus on measured topline growth and improved profitability.

General & administrative costs increased by EUR 53,8 million, primarily attributed to bad debt expenses for intercompany receivables (EUR 2,4 million) and impairment of intercompany loans (EUR 44,1 million). In 2022, the Company also made investments in its team and technical infrastructure contributing to an increase in general & administrative costs.

Other interest income increased in 2022 by EUR 1,2 million to EUR 6,8 million and mainly comprises interest income from loans to subsidiaries. Interest expenses incurred on externally financed loans in 2022 slightly decreased to EUR 1,3 million (prior year: EUR 1,7 million).

As a result, the net loss increased to EUR -51,0 million in comparison with the prior year (prior year: EUR -2,7 million).

b) Financial position

The liquidity of Marley Spoon SE remained secure throughout the 2022 financial year. The Company's financial position is connected to the performance of its foreign subsidiaries.

On the balance sheet date, cash and cash equivalents amounted to EUR 6,6 million (prior year: EUR 4,2 million), a EUR 2,5 million year-on-year increase. This resulted from positive cash flows from financing activities (EUR 29,6 million) offsetting negative cash flows from investing (EUR -7,1 million) and operating activities (EUR -20,1 million).

The negative cash flow from operating activities resulted from the net loss for the year and from changes in working capital. The negative cash flow from investing activities was primarily driven by investments in intangible assets, mainly internally developed and purchased software (EUR 7,1 million). The positive cash flow from financing activities resulted from EUR 15,9 million in proceeds from share issuances in 2022, repayment of intercompany loans of EUR 15,8 million, and a total new loan of EUR 5,3 million. However, these inflows were partially offset by outflows resulting from a loan repayment of EUR 5,1 million, interest payments of EUR 1,5 million, and new intercompany loans of EUR 0,8 million.

The Company was always able to meet its payment obligations during the financial year. For 2023, the Management assumes that all existing payment obligations can be met. Management's assessment of the current financial position is shown in Section V.

c) Asset position

EUR in thousands	31.12.2022	31.12.2021	Year-over-Year Change
ASSETS			
Fixed assets	106.507	149.403	-28,7%
Current assets	28.535	23.077	23,7%
Prepaid expenses	391	445	-12,1%
Total Assets	135.433	172.926	-21,7%
LIABILITIES AND EQUITY			
Equity	106.494	141.620	-24,8%
Provisions	1.702	1.880	-9,5%
Liabilities	27.237	29.425	-7,4%
Total Liabilities & Equity	135.433	172.926	-21,7%

Total assets were EUR 135,4 million, EUR 37,5 million lower than in the previous year. Marley Spoon SE's assets consist mainly of shares in and loans to subsidiaries and short-term assets. Fixed assets decreased by 28,7% compared to the previous year, primarily due to the impairment of intercompany loans to subsidiaries in the amount of EUR 44,1 million (prior year: EUR 0). Current assets increased by EUR 5,5 primarily driven by a net increase in intercompany receivables of EUR 1,7 million (after considering bad debt), a EUR 1,3 million increase in other assets, and an increase of EUR 2,5 million in cash at banks.

Total liabilities and equity consist mainly of equity capital, borrowings, and payables due to related parties. Liabilities of EUR 27,2 million are comprised principally of EUR 13,0 million in borrowings (maturity of 0 to 3 years) and EUR 11,4 million in payables due to related parties of the Company (maturity of up to one year). Remaining liabilities of EUR 2,8 million have a maturity of up to one year. The provisions of EUR 1,7 million include provisions for holidays, outstanding invoices and costs associated with the preparation and audit of the financial statements. The decrease in liabilities by EUR 2,2 million can be attributed to payments due to the Company's subsidiaries of EUR 11,5 million (2021 intercompany payables: EUR 14,4 million).

Equity decreased in 2022 by EUR 35,1 million to EUR 106,5 million. The development is due to the loss for the year of EUR -51,0 million and capital increases in 2022 of EUR 15,9 million. The equity ratio as at 31 December 2022 is 79% (previous year 82%). On the balance sheet date, Marley Spoon SE reported a loss carry-forward of EUR -40,6 million.

IV. Outlook

Marley Spoon remains encouraged by its long-term potential, particularly as it continues on its path toward profitability; however, a challenging operating environment persists in 2023. There is an uncertain economic outlook for the region with continued raw material and wage rate inflation, global warming impacts, and subsequent supply chain disruptions, as well as muted consumer confidence. Navigating 2023 will require continued focus on increased choice and personalization, new value propositions to cater to budget-conscious consumers, continued pricing flexibility to aid margin expansion, and leveraging the Company's multi-brand portfolio to meet varying consumer demands. As in the past, four guiding principles will underpin the Company's activities:

- Improve customer offer and service levels
- Continue to build strong company culture and purpose
- Continue delivering growth within current balance sheet capacity
- Maintain attractive margins and focus on cost discipline

On the basis of the above, Management expects single-digit net revenue declines as compared to 2022, several percentage points of expanded contribution margin and low single digit negative net income for the financial year 2023.

V. Going concern

Marley Spoon SE's ability to meet its financial obligations as they fall due and continue as a going concern depends on the Company's ability to maintain a positive cash balance, which Management has forecasted for the next twelve months assuming contribution margin expansion (adjusted for intercompany revenues) to at least 28%, reduction in G&A expenses by EUR 0.8m for the fiscal year 2023 as compared to FY 2022 and EUR 4m payments of intercompany receivables from subsidiaries. The development of cash flows of Marley Spoon SE and the subsidiaries so that they are able to meet their obligations against Marley Spoon SE, could be negatively impacted by macroeconomic or external factors such as volatile customer behavior, cost inflation, supply chain disruptions or higher interest rates. In case of these potential headwinds the Company'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. Management expects the Company to be able to address these additional headwinds with the respective measures.

Further contributing to the Company's ability to tackle various headwinds (not yet factored in the forecast) is the signing of a business combination agreement (BCA) with 468 SPAC II, which if closing conditions will be met, should provide additional resources to the Company. Please refer to section "Subsequent events" in the notes to the financial statements.

VI. Risk and opportunities report

In the course of its business, Marley Spoon SE and its subsidiaries face risks and opportunities that can impact its results of operations and financial position. The Company deploys transparent management and control systems to identify risks and opportunities at an early stage and manage them accordingly. This report presents the most important risks and opportunities applicable to the Company.

1. Risk report

1.1. Internal control system

Everyone at Marley Spoon is expected to anticipate and mitigate risks. However, according to the Management Board's Schedule of Responsibilities (Geschäftsverteilungsplan), the Company's Chief Financial Officer (CFO), supported by the Company's General Counsel and finance leadership team, is responsible for overseeing a risk management framework. This framework is established and operated by the Management Board (Vorstand) of Marley Spoon SE, which bears overall responsibility for risk across the organization. As with its other responsibilities, the Management Board is advised and supervised by the Company's Supervisory Board (Aufsichtsrat) in relation to the effectiveness of the internal control system and the Company's overall risk management.

As a part of its management of risk, Marley Spoon maintains a system of internal controls over its financial reporting, aiming to identify, evaluate, and mitigate any risks that could influence the proper preparation of the Company's individual financial statements (Jahresabschluss) and consolidated financial statements (Konzernabschluss). The system is at the core of Marley Spoon's accounting and reporting processes and includes preventive, monitoring, and detective measures such as month-end closing checklists, variance analyses, approval guidelines, and other principles and procedures in both financial and operational functions. Additionally, the Supervisory Board maintains the Audit and Risk Committee (ARC) as a standing committee, chaired by Robin Low during the reporting period, which regularly reviews the Company's system of internal controls and risk monitoring, along with the CFO.

1.2. Risk reporting and methods

Marley Spoon's risk management framework is used to support the company's business operations, to provide consistency in addressing risks, and ultimately to facilitate compliance with regulatory requirements. As part of this framework, relevant risk items are documented in an internal risk register (RR), which provides information on Marley Spoon's risk exposure and its mitigation activities and tracks the progression and remediation of risks. This comprehensive risk assessment allows for informed decision-making and an appropriate response to the identified risks.

The Company's Executive Committee regularly updates the RR based on input from all functions within the Company. The RR is reviewed by Marley Spoon's Management Board, and made available to the ARC, the Supervisory Board, and the Company's auditors. Additionally, the reporting process is supplemented by ad-hoc reporting.

All relevant risks identified and documented in the RR are quantified based on their likelihood of occurrence (shown as likelihood) as well as their potential impact (shown as consequence). This quantification is assessed within the context of materiality thresholds, helping to guide an assessment of the severity of the risk and recommended remedial actions.

The likelihood of occurrence refers to the estimated probability, stated as a percentage, of a risk occurring during the time horizon under review. The likelihood of the occurrence is determined by choosing one of the given probability ranges which are shown in the table below:

Likelihood	Assessment	Legend
Certain	80% ≤ Risk ≤ 100%	
Likely	60% ≤ Risk < 80%	
Probable	40% ≤ Risk < 60%	
Possible	20% ≤ Risk < 40%	
Unlikely	0% < Risk < 20%	

The potential impact of a certain risk (i.e., impact on business operations, financial status, profitability and/or cash flows) is ideally quantified, but at least assessed qualitatively (such as in the case of compliance risks) and is considered as a deviation from the Company's business objectives.

Impact	Assessment	Legend
Catastrophic	Risk ≥ EUR 10 million	
Major	EUR 5 million ≤ Risk < EUR 10 million	
Moderate	EUR 2,5 million ≤ Risk < EUR 5 million	
Minor	EUR 0,25 million ≤ Risk < EUR 2,5 million	
Insignificant	EUR 0 million < Risk < EUR 0,25 million	

Based on the assessment of the likelihood of occurrence and the consequence, all identified risks are presented visually using a color coding. This facilitates the comparison of the risks' relative priority and increases transparency over Marley Spoon's total risk exposure.

1.3. Areas of Risk

A summary of Marley Spoon's principal risks, their assessment (likelihood/impact), changes versus the prior year and mitigation strategies are detailed in the tables below. This reflects the risks identified by the Management Board for the year ended 31 December 2022. The summary and associated strategies are not exhaustive and are reflective of efforts at a set point in time.

STRATEGY / BUSINESS MODEL

Principal Risk	*Assessment*	*Change*	*Mitigation*
Competitive market The Group faces competition from a different cross-section of industries, including online/offline grocery retailers and delivery service providers, alternative meal kit companies and potential new market entrants, either within the meal kit space or in adjacent categories.		↔	Marley Spoon is constantly enhancing and innovating its product and improving the customer experience. No launch of new global competitors was observed during the reporting period.
Recession With talks of a global recession and continued inflation combined with rising interest rates, consumers may become even more budget conscious, resulting in them ordering meal kits less frequently or cancelling their subscriptions altogether.		↑	Marley Spoon operates a multi-brand portfolio which includes Dinnerly, a more value-oriented meal kit alternative. The Company also recently launched "Super Saver" recipe options to appeal to a more price sensitive consumer and to counter a reduction in order frequency. Flexible pricing now enabled by the Company's digital technology also gives the Company levers to alter prices as needed.
War in Ukraine While the Company does not have operations in Ukraine or in Eastern Europe, the ongoing conflict could continue to put pressure on fuel prices and/or raw material costs. In addition, consumer confidence, particularly in Europe, could be negatively impacted thereby putting pressure on disposable income		↑	The Company contended with significant inflation in fuel and raw material costs throughout 2022 and was able to offset a good portion of it through price increases and greater agility in its procurement efforts. See "Recession" risk for additional mitigating actions.
Customer acquisition and retention Marley Spoon's growth depends on the acquisition of new customers and the retention of existing customers. Acquiring new customers requires access to marketing channels at commercially attractive rates, which can be challenging at times, depending on the amount of competitive marketing activity and media cost inflation. Retaining customers depends on high quality fulfillment rates of the Group's manufacturing centers and logistics partners to ensure the satisfactory delivery of their orders. Also, the Group's customer communications service must perform well, ensuring that customer complaints are dealt with in a timely and sustainable manner.		↔	Marley Spoon is constantly working to improve its production capabilities and service levels. The appointment of the Chief Operating Officer at the end of 2021 to the Management Board underscores the Company's focus on quality and operational excellence. Additionally, Marley Spoon responds to customer requests and complaints through multiple channels: by email, chat, through telephone hotlines and social media and now, through a recently launched web-based automated complaint management tool.

OPERATIONS

Principal Risk	*Assessment*	*Change*	*Mitigation*
Input cost risk Increases in the market prices of key ingredients or packaging used by the Group may not be easily able to be offset and can negatively affect the Group's results of operations.		↔	A detailed menu design and planning process with food cost targets, ongoing negotiations with suppliers and, if necessary, pricing actions help mitigate this risk. The Company has seen a slight improvement in input cost inflation for FY 2023 vs. 2022, but still sees cost increases.
Third party sourcing / product perishability Perishable products (proteins, vegetables, etc.) account for a significant proportion of Marley Spoon's meal kits' ingredients. While constantly working to enhance the Company's direct relationship with producers, Marley Spoon still depends on wholesalers to deliver these products on a just-in-time basis. Failure to accurately anticipate the time it will take to obtain new products or to calculate the quantities of products needed for food boxes may result in order levels not being appropriate and could affect the freshness of ingredients.		↔	Carefully planned ordering processes are in place. Suppliers are subject to a standardized, comprehensive onboarding process and ongoing assessment by the internal Quality & Safety team. Ingredients are quality inspected upon receipt and are kept within continuous temperature controls.

Tight labor market / attrition Attracting and retaining strong talent is essential to Marley Spoon's ability to deliver on its strategy and growth plans. Difficulties accessing a qualified labor pool or retaining high-performing talent could put at risk the successful realization of the Company's objectives.	/		In 2022, Marley Spoon saw a tightening of the labor market, which it believes will persist at least into early 2023. Steps already taken to counter this problem, such as improved recruiting efforts, a strengthened Employer Value Proposition, increased wage rates or salaries for more competitive market benchmarking and the introduction of a new, attractive long term incentive plan with RSUs are expected to help mitigate this risk.
Key personnel, operational excellence Marley Spoon continues to depend on the strong commitment of its founder and CEO Fabian Siegel. The same is true of its CFO, Jennifer Bernstein, its COO, Rolf Weber, and the other members of the executive leadership team. The unanticipated departure or loss of any of them could have an adverse effect on Marley Spoon's business, financial condition, and results of operations. The same is true for any unexpected decline in their professional performance.	/		Marley Spoon has set up recruiting and onboarding processes and tools to efficiently evaluate and manage candidates and employees, including a new quarterly performance assessment process to help identify performance risks/assets on time. Furthermore, the Company has introduced salary/benefit schemes to adequately reflect and compensate the team for their personal contributions. Succession planning is also a key focus area for the Company.
Dependence on technology Marley Spoon sells its products exclusively through online channels (website, mobile apps). The Company also relies on its technology and data to forecast demand and predict its customers' orders. This technology is key to determining required amounts of ingredients and other supplies as well as to optimizing logistics. If this technology fails (e.g., because of a cybersecurity breach or quality failure) or produces inaccurate results, Marley Spoon could experience lost sales or shortages in key ingredients or increased food waste, for instance. Cybercriminals may take Marley Spoon's systems hostage or seek to get access to the personal data of our customers.	/		Marley Spoon is investing substantially into modular (semi) automation of its production processes and its digital platforms. The Company has a phased roll out of various technologies and enhancements and employs technical advisers as appropriate. Digital investments have been a priority for the organization to enhance quality, flexibility and data security. Backup functionalities at state-of-the-art service providers are in place.
Severe weather events Acute weather incidents like droughts and floodings have been an increasing concern as weather patterns evolve due to climate change. This was particularly observable during the winter of 2021 and 2022, with snowstorms in the US and floods in Australia. The opposite can also occur, with chronic water shortages and droughts impacting certain other geographies. This can impact supply chains, the quality or availability of raw ingredients and prices for ingredients.	/	Newly added	Marley Spoon's source-to-order model enables flexible supplier changes. The ability to diversify the Company's supplier base is key to managing through weather crises, as are contingency plans upon which the Company can rely and hone over time. The Company can also shift production to other fulfillment centers, as required, in the US/Australia.
COVID-19 pandemic A resurgence of pandemic-related illness could potentially lead again to the adoption of preventative measures by governments and other authorities, including quarantines, travel restrictions, lockdowns, work stoppages, vaccine and testing requirements, and other related measures, which may directly or indirectly impact Marley Spoon's business. Direct impacts include a change in customer behavior or staffing challenges in the Company's fulfillment centers; indirect impacts include possible supply chain disruption and changes in employment levels or labor costs.	/		Marley Spoon incorporated additional health and safety measures in its office facilities and manufacturing centers to protect its workforce, customers and to be compliant with government guidelines during the pandemic and could react again quickly if circumstances required it to. The Company adapted to address work outages, supply disruptions and other COVID-19 consequences and is now much more agile in this regard.

REGULATORY AND LEGAL

Principal Risk	*Assessment*	*Change*	*Mitigation*
Food safety regulations Certain legal and other risks are inherent in the sale of food products for human consumption. Perishable and fresh products constitute a significant proportion of the ingredients in Marley Spoon's meal kits. It is possible that these perishable products may spoil or be rendered unsafe to consume if the team fails, for example, to put in place adequate temperature control mechanisms. There is also a risk of contamination of food products at any point throughout the supply chain.	/		Marley Spoon's internal legal team as well as its Quality & Safety function constantly enhance compliance with the relevant legal and regulatory requirements through continual monitoring and reviews. The Company partners with logistics carriers offering chilled delivery whenever possible and utilizes insulated liners and ice packs in its meal kit boxes to maintain proper temperatures.

FINANCIAL[*] AND REPORTING

Principal Risk	*Assessment*	*Change*	*Mitigation*
Financing risk Marley Spoon is capitalized through a combination of equity financing coming from public capital markets as well as debt. The Company can be directly affected by developments and risks inherent in such capital markets.	/	↑	As it did in Q4 2022, the Company could seek to raise equity again. The Company's share register includes several substantial holders who have a long history with the Company and have been supportive of the Company through several fundraising rounds.
Foreign currency risk The fair value or future cash flows of an exposure may fluctuate because of changes in foreign exchange rates, to which Marley Spoon is exposed. Financial instruments, which are denominated in a currency other than the measured functional currency of the Company (i.e., the Euro), are subject to foreign currency risk. The Group operates in international markets through locally established subsidiaries which mainly complete their transactions in the respective local currency. As such, material depreciation of those foreign currencies could present a risk.	/	↔	The Company's Treasury function within the finance department ensures ongoing liquidity oversight and management. Foreign currency exposure is more translational than transactional, with most purchasing done locally at the Segment level.
Interest rate risk Future cash flows of financial instruments may fluctuate because of changes in market interest rates. The Company has exposure to movements in interest rates arising from its portfolio of interest rate sensitive assets and liabilities. These principally include debt and cash.	/	↑	Rising interest rates in 2022 have resulted in the Company having higher interest expense as compared to 2021, with the higher cost of debt continuing into 2023. The Company has so far managed to service its debt within its operations. Until January 2025, payments on the debt from its largest debt provider (Runway Growth Capital) remain interest-only. As the Company turns to improved profitability, it will seek to refinance its debt.
Credit and fraud risk There may be risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk can arise as the Group offers various payment methods and other transactions with counterparties. Fraud risk exists to the extent that customers have insufficient funds or that customers themselves are subject to fraud (e.g., through identity theft conducted by third party imposters). Failure to avoid or limit losses caused by fraudulent transactions could negatively affect the Company's operations and result in increased legal expenses and fees.	/	↔	The nature of the business limits the exposure toward trade receivables since customers customarily pay before delivery. Marley Spoon's payment service provider partners provide fraud detection capabilities. Also, the Company regularly reviews its portfolio of payment methods.
Liquidity risk Liquidity risk is the risk that a Group entity will encounter difficulty in meeting obligations associated with financial liabilities.	/	↑	Cash balances and movements in cash are monitored regularly to maintain a balance between continuity of funding and flexibility. Liquidity management projects cash flows in major currencies and considers the level of liquid assets necessary to meet these outflows, monitors balance sheet liquidity ratios and maintains equity and debt financing plans. The Company has established a dedicated Treasury role overseeing liquidity and FX risks which has enhanced reporting on cash flows for greater visibility and agility in planning. Should the Company's plans to improve cash flows from operations through margin expansion and improved profitability not materialize, the Company would need to seek additional funding.

2. Opportunities

Online meal kits remain a sizable market opportunity. They satisfy consumers' desire for convenience, healthy food, and weeknight cooking solutions but also remain under-penetrated, suggesting there continues to be attractive growth potential. Since 2020, Marley Spoon has seen a perceptible shift in the growth of online grocery shopping, a trend that favors the growth of online meal kits. However, even with this shift, the grocery category remains one of the last large consumer spending categories to have a meaningful online presence. Marley Spoon believes it can both contribute to and benefit from the change in consumer behavior toward online grocery, and therefore online meal kit shopping.

By offering innovative, personalized, and healthy meal solutions, Marley Spoon solves customers' problems. The Company has both the capacity, expanded through investments in production equipment in the fulfillment centers, and innovation, driven by its investments in product development and technology, to meet customer needs. Finally, with its continued source-to-order model, which allows Marley Spoon to source based on order forecasts derived from observable consumer behavior close to the order date, the Company contributes to reducing food waste, another important customer attraction. By meeting customer needs in an industry still poised for online expansion, Marley Spoon can grow its active subscriber base and therefore generate more insights to enable even more personalization and choice, thereby creating a flywheel that should ultimately lead to greater retention, sales and customer lifetime value.

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

The Management Board of Marley Spoon SE 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: "Except the aforementioned cash capital increases, 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, 8 May 2023

Management Board:

Fabian Siegel
Founder & Chief Executive Officer

Jennifer Bernstein
Chief Financial Officer

Rolf Weber
Chief Operating Officer

Annual financial statements of Marley Spoon SE

Balance sheet as at December 31, 2022

	31 Dec 2022	**31 Dec 2021**
A. Fixed Assets		
I. Intangible fixed assets		
1. Internally generated intangible assets	10.404.071	7.896.443
2. Purchased software and licenses	967.170	883.633
	11.371.241	8.780.077
II. Tangible fixed assets		
1. Technical equipment and machinery	58.417	114.151
2. Other equipment, operating and office equipment	237.665	349.210
	296.082	463.361
III. Financial assets		
1. Shares in affiliated companies	13.038.070	13.020.570
2. Loans to affiliated companies	81.801.709	127.138.980
	94.839.779	140.159.550
Total fixed assets	106.507.101	149.402.988
B. Current Assets		
I. Inventories		
Finished goods and merchandise	133.913	-
II. Receivables and other assets		
1. Trade receivables	14.837	106.599
2. Other assets	4.207.013	2.983.031
3. Receivables from affiliated companies	17.530.716	15.795.213
III. Cash-in-hand, bank balances	6.648.677	4.192.387
Total current assets	28.535.156	23.077.230
C. Prepaid expenses	**390.980**	**445.382**
Total assets	**135.433.237**	**172.925.599**

A. Equity		
I. Subscribed capital	39.335.973	284.051
Own shares	-	-857
(Conditional capital: EUR 2.210.200, prior year: EUR 19.602)		
II. Capital reserves	158.780.220	181.972.279
III. Accumulated losses	-91.622.166	-40.635.035
Total Equity	**106.494.027**	**141.620.438**
B. Provisions		
Other provisions	1.702.059	1.880.200
C. Liabilities		
1. Bonds	8.001.832	7.226.893
– of which due within one year EUR 315.695 (prior year: EUR 53.487)		
– of which due after more than one year EUR 7.686.137 (prior year: EUR 7.173.407)		
2. Liabilities to banks	5.003.686	5.195.833
– of which due within one year EUR 5.003.686 (prior year: EUR 5.195.833)		
3. Trade liabilities	2.189.714	1.521.428
– of which due within one year EUR 2.189.714 (prior year: EUR 1.521.428)		
4. Liabilities to affiliated companies	11.457.415	14.410.460
– of which due within one year EUR 11.457.415 (prior year: EUR 14.410.460)		
5. Other liabilities	584.506	1.070.346
– of which taxes EUR 254.769 (prior year: EUR 729.151)		
– of which social security obligations EUR 24.692 (prior year: EUR 20.508)		
– of which due within one year EUR 547.336 (prior year: EUR 1.033.176)		
– of which due after more than one year EUR 37.170 (prior year: EUR 37.170)		
Total Liabilities	**27.237.152**	**29.424.961**
Total equity and liabilities	**135.433.237**	**172.925.599**

Income statement for the period from 1 January to 31 December 2022

	2022 EUR	2021 EUR
Revenues	39.310.340	37.752.222
Costs to generate the revenues	-26.260.827	-25.848.752
Contribution margin	**13.049.513**	**11.903.470**
Distribution costs	-6.559.714	-9.435.326
General & administrative costs	-63.001.794	-9.156.021
Other operating income	14.585	57.664
Other interest and similar income	6.817.864	5.570.217
Interest and similar expenses	-1.307.585	-1.650.215
Earnings before taxes	**-50.987.131**	**-2.710.212**
Other taxes	-	-27
Net loss	**-50.987.131**	**-2.710.239**
Losses carried forward from previous years	-40.635.035	-37.924.796
Accumulated losses	**-91.622.166**	**-40.635.035**

Notes to the financial statements of Marley Spoon SE

I. **General information**

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) together with Art. 61 EU-V02157/2001. 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 in the financial statements are shown in whole numbers, unless otherwise noted.

As of the reporting date of December 31, 2022, Marley Spoon SE 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 Company has its registered office in Berlin and is registered in the commercial register of the district court Charlottenburg with the registration number: 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.

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, which requires that the company will be able to meet its financial obligations (see section V. Going Concern of the management report for further details).

Marley Spoon SE as parent company has prepared consolidated financial statements on 31 December 2022 according to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU). The group of consolidated companies consists of Marley Spoon SE and the subsidiaries: Marley Spoon Pty Ltd., Marley Spoon Finance Pty Ltd., & Chefgood Pty Ltd (Australia), Marley Spoon GmbH & Marley Spoon Holdings AG (Austria), Marley Spoon BV (Netherlands), Marley Spoon Ltd. (United Kingdom), MMM Consumer Brands Inc. (United States of America), and Marley Spoon Unipessoal Lda (Portugal).

II. Accounting policies and valuation methods

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

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 5 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 an anticipated permanent reduction in value.

Low-value assets with values below 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 an 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.

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 is 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 probable that future taxable profits will allow realization of the deferred tax assets.

Marley Spoon SE 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 SE 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 for at 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 2022, Marley Spoon capitalized self-developed software of EUR 6,6 million and EUR 460 thousand of purchased intangibles. Total product development expenses in 2022 amounted to EUR 10,1 million (2021: EUR 8,7 million).

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

Name	Location	% Equity interest	Equity in EUR thousand	Annual result in EUR thousand
Marley Spoon Pty Ltd,	Sydney, Australia	100	-22.234	-7.828
Marley Spoon Finance Pty, Ltd.	Sydney, Australia	100	-	-
Chefgood Pty Ltd	Sydney, Australia	100	-11.128	-2.970
Marley Spoon GmbH	Klagenfurt am Wörthersee, Austria	100	-4.042	-37
Marley Spoon Holdings AG	Klagenfurt am Wörthersee, Austria	100	-5	-12
Marley Spoon BV	Nieuwegein, Netherlands	100	-21.961	-5.973
Marley Spoon Ltd.	London, United Kingdom	100	-2.923	-88
MMM Consumer Brands Inc.	New York, New York, USA	99	-101.682	-31.265
Marley Spoon Unipessoal Lda	Lisbon, Portugal	100	-378	-182

The information on equity capital and the annual result of the companies originates from the annual reports prepared under their respective national accounting standards as at the end of the most recently published annual account information.

Receivables and other assets

As at the reporting date, there were receivables from VAT in the amount of EUR 226 thousand (previous year EUR 637 thousand) and trade receivables in the amount of EUR 15 thousand (previous year: EUR 107 thousand). Deposits included in other assets were EUR 413 thousand (previous year EUR 399 thousand). Intercompany receivables, due from subsidiary companies, were EUR 17,5 million (previous year EUR 15,8 million). The residual maturities of the receivables and other assets total less than 1 year.

Equity

Share Capital

On December 31, 2022, the issued registered share capital is EUR 39.335.973 (previous year: EUR 284.051) and is fully paid. The share capital is divided into 39,335,973 no-par value shares.

Capital increase from Company funds and decrease of transmutation ratio

During the current period, in conjunction with the Company's planned conversion to a German registered European company (Societas Europaea), the Company increased its share capital from company funds by EUR 28.903.842,00 to EUR 29.195.800,00. The Company undertook a change in the transmutation ratio to 1:10 (previously 1:1,000) in parallel with the capital increase.

Capital increases from issuance of shares

On 18 January 2022, the Company executed a EUR 5,000 thousand equity placement with a long-term oriented European institutional investor by issuance of 7,907 new shares (7,907,000 CDIs). The total amount of payments above the par value have been recorded as capital reserve (EUR 4,992 thousand).

In December 2022, the Company executed a EUR 10,869 thousand equity placement by issuance of 10.140.173 new shares (equivalent to 101.401.730 CDIs) reflecting the change in the CDI to share ratio (see above). The total amount of payments above the par value have been recorded as capital reserve (EUR 729 thousand).

Treasury shares

In January 2022, the Company transferred the exercised share options held as treasury stock (857 shares) to the beneficiaries. Any excess of the cash received from employees over the nominal value of treasury shares is recorded in capital reserves.

Authorized and conditional capital

As at December 31, 2022, by resolution of the Annual General Meeting on May 31, 2022, the Management Board, with the approval of the Supervisory Board, was authorized to increase the Company's share capital by an amount of up to EUR 3.748.427,00 (Authorized Capital 2022/I), by an amount of up to EUR 100.000,00 (Authorized Capital 2022/II) and by an amount of up to EUR 9.300,00 (Authorized Capital 2022/III), in each case until May 30, 2027. By resolution of the Annual General Meeting on May 31, 2022, the share capital was conditionally increased by an amount of up to EUR 250.000,00 to fulfill subscription rights of members of the Management Board as well as selected executives and employees of the company and affiliated companies globally (Conditional Capital 2022/I). As at December 31, 2022, the Conditional capital and the Authorized capital amount to a total of EUR 6.667.927.

Provisions

Other provisions consist primarily of provisions for outstanding invoices amounting to EUR 1.484 thousand (previous year: EUR 1.467 thousand), a provision for a termination penalty related to the cancellation of a planned fulfillment center in Germany (EUR 105 thousand) and severance settlement (EUR 30 thousand).

Liabilities

Total liabilities amount to EUR 27.237 thousand (previous year: EUR 29.425 thousand) and primarily consist of loan liabilities amounting to EUR 13.006 thousand (previous year: EUR 12.423 thousand) with a term of 0-3 years as well as liabilities to the subsidiaries with an amount of 11.457 thousand EUR (prior year: EUR 14.410). There are no loan liabilities of over five years.

Other liabilities total EUR 585 thousand (prior year: EUR 1.070 thousand) of which EUR 547 thousand (prior year: EUR 1.033 thousand) are due in less than one year, Liabilities from wages and salaries, payroll tax and social security agencies amount to EUR 300 thousand (previous year: EUR 757 thousand). The maturity date of accounts payable of EUR 2.190 thousand (prior year: EUR 1.521 thousand) are due in less than one year.

Employee Share Option Plan (ESOP)

Marley Spoon grants selected employees long-term incentives through its Employee Stock Option Program (ESOP) and the Stock Option Plans (SOP 2019, 2020, 2021 & 2022) which are equity-settled share-based payments.

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

The Company entered the new employee stock option plan ("SOP") in February 2019 and August 2019, followed by subsequent grants in February 2020 and August 2020, as well as March 2021 and August 2021, March and September 2022, granting employees share-based payments similarly structured as the ESOP.

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 SOP remains the Company's LTI program for Management Board members.

At the end of the financial year, the number of shares outstanding under the SOPs (including RSUs granted) was 1.301.599 (previous year 1.170.011).

	2022	**2021**
Exercise Price (EUR)	0,14 – 0,44	0,18 – 1,82

The option not to recognize stock options 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 39.310 thousand (previous year: EUR 37.752 thousand) and primarily resulted from the sale of goods in Germany amounting to EUR 22.162 thousand (previous year: EUR 23.100 thousand) and group internal revenues from licenses and services to affiliated companies amounting to EUR 17.148 thousand (previous year: EUR 14.652 thousand).

Cost to generate revenues
Cost of sales includes manufacturing costs for goods in the amount of EUR 26.261 thousand (previous year: EUR 25.849 thousand).

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

in EUR thousand	**2022**	2021
Cost of raw materials, consumables and supplies	8.563	8.927
Total	**8.563**	8.927

Personnel expenses

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

in EUR thousand	**2022**	2021
Wages and salaries	11.439	9.533
Social security, post-employment and other employee benefit costs	1.213	1.169
thereof: pension provision	*68*	*83*
Total	12.584	10.618

Interest income
Interest income is broken down as follows:

in EUR thousand	**2022**	2021
Other interest and similar income	6.817	5.570
thereof from affiliated companies	6.817	*5.570*
Total	6.817	5.570

Interest expenses
The interest expenses result from loan liabilities and amount to EUR 1.308 thousand (2021: EUR 1.650 thousand).

V. Other disclosures

Other financial obligations

Marley Spoon SE 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 2022
< 1 year	932
1 - 2 years	889
2 - 3 years	224
> 3 years	-
Total	2.045

Contingent liabilities

There are no contingent liabilities that would be of significance for the financial position of the Company, except for default guarantees to subsidiaries. These include parent guarantees issued to food and non-food suppliers for the benefit of the Dutch subsidiary and the main Australian subsidiary, to certain landlords for the benefit of the US and the Australian subsidiaries and to Runway Growth Capital for the benefit of the US subsidiary. The risk of a claim relating to the guarantees is deemed to be low because the Australian and US subsidiaries are operating profitably and because the Dutch subsidiary has a regularly recurring revenue stream from its production for the German and the Austrian subsidiaries.

Management Board

The Management Board consist of the following members:

- Fabian Siegel, CEO, Berlin (Germany), since 02 May 2018
- Jennifer Bernstein, CFO, Geneva (Switzerland), since 26 October 2020
- Rolf Weber, Chief Operating Officer (COO) and CEO of Marley Spoon's Australian operations, Sydney (Australia), since 01 December 2021

Information on the remuneration of Management is not disclosed in accordance with § 286 (4) HGB.

Supervisory Board

The Supervisory Board (SB) consist of the following members:

- Deena Shiff, Chairman of the Supervisory Board, since 05 June 2018
- Robin Low, SB Member and Chair of the Audit & Risk Committee, since 29 January 2020
- Roy Perticucci, SB Member, since 11 June 2021
- Kim Anderson was a SB Member and Chairman of the Nominations & Remuneration Committee from 05 June 2018 until she stepped down 19 August 2022.
- Christian Gisy, SB Member and Chairman of the Nominations & Remuneration Committee, since 19 August 2022, replacing Ms, Anderson, Mr, Gisy's initial term will last until the next general meeting, during which he will stand for election by the shareholders.

For 2022, the cash fees (including superannuation) paid to the current members of the Supervisory Board amount to approximately EUR 345 thousand in aggregate (2021: EUR 215 thousand). For the services as a member of the Supervisory Board during the financial year 2022, the base remuneration for all board members was EUR 63.723 (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 63.723 (AUD 100,000) for the Chairman of the Supervisory Board and EUR 12.745 (AUD 20,000) each for the Chairman of the ARC and of the NRC Committees. There is no equity-based remuneration for the Supervisory Board in 2022.

During the Supervisory Board initial term (I,e,, until the Company's 2021 AGM), the following non-executive KMP received 50% of their base compensation in CDIs in the Company (calculated at the offer price of A$ 1,42 per CDI and issued to the respective non-executive Director for a subscription price of €1,00) and the remainder in cash: Ms. Shiff, Ms. Anderson (who departed as a non-executive Director in August 2022), and Mr. O'Sullivan (who departed as a non-executive Director in January 2020). Ms. Low, who was appointed a non-executive Director in January 2020, did not receive any portion of her 2020 compensation in CDIs in the Company.

Number of employees

The Company employed on average 244 employees in the financial year, of which 241 were salaried employees and 3 were hourly employees (previous year: 233 employees wherein 230 were salaried employees and 3 were hourly employees).

Auditors' fees

In accordance with Section 285 No. 17 HGB, the auditor's fees are not disclosed. The disclosure is made in the consolidated financial statements of Marley Spoon SE.

Group relationships

As the ultimate parent, Marley Spoon SE prepares consolidated financial statements for the largest and smallest group of companies, which are published in the Bundesanzeiger [German Federal Gazette].

Subsequent events

Berliner Volksbank (BVB) loan extension and renewal

In January 2023 Berliner Volksbank (BVB) extended the Company's EUR 5.000 thousand loan by one month to February 2023 while negotiations for a renewal were underway. The renewal was finalized in February 2023 and extends the EUR 5.000 thousand money market loan, retaining the same interest rate of 6,5% + EURIBOR per annum. The loan can be drawn down for 90 days and extended automatically until up to April 30, 2024, if certain milestones are reached.

Societas Europaea conversion

At the 31 May 2022 Annual General Meeting the shareholders approved the Company's conversion from a German stock corporation (Aktiengesellschaft or "AG") to a German registered European company (Societas Europaea or "SE"). This conversion was actioned as an SE provides an appropriate and flexible corporate structure for the Company as a growth company with a pan-European/international employee base. The conversion was completed on 13 March 2023 and the Company now exists under the name "Marley Spoon SE".

Business Combination Agreement with 468 SPAC II SE and related transactions

On April 25, 2023, the Company signed a series of transactions to inject committed capital into the Company, to reduce and renegotiate certain debt terms and to simplify its operating and regulatory structure. New and existing investors of the Company have committed A$52m (~EUR 32m, of which EUR 3m has already been received) in equity to the Company by way of new placement shares, subject to shareholder approval, to support the Company's near-term growth and working capital needs. The Company has also entered into a Business Combination Agreement with a Special Purpose Acquisition Company, 468 SPAC II 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: SPV2). Finally, Runway Growth Corp., the Company's primary debt provider, has agreed to certain amendments to the Company's existing debt facilities, including the extension of the maturity date to June 15, 2026, and interest-only period of the full debt facility to January 15, 2025, as well as cash interest payable for the six months from April to September 2023 to be capitalized to the outstanding loan balance. The Company may have to pre-pay a portion of the outstanding loan balance with proceeds from the transactions, leading to a reduction of interest rates.

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

Proposed appropriation of earnings

The Management Board proposes that the accumulated loss be carried forward.

Berlin, 8 May 2023

Management Board:

Fabian Siegel	**Jennifer Bernstein**	**Rolf Weber**
Founder & Chief Executive Officer	**Chief Financial Officer**	**Chief Operating Officer**

Statement of changes in fixed assets at 31 December 2022

Annex I

		Acquisition and Production Costs				Accumulated Amortization, Depreciation & Impairment				Net Book Value	
		01.01.2022	Additions	Disposals	31.12.2022	01.01.2022	Additions	Disposals	31.12.2022	01.01.2022	31.12.2022
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Intangible Assets											
1.	Internally generated assets	10.781.876	6.615.562	-	17.397.438	2.885.432	4.107.935	-	6.993.367	7.896.443	10.404.071
2.	Purchased software and licenses	1.903.980	460.144	-	2.364.124	1.020.347	376.607	-	1.396.954	883.633	967.170
	Total Intangible Assets	12.685.856	7.075.706	-	19.761.562	3.905.779	4.484.542	-	8.390.321	8.780.077	11.371.241
Property, Plant & Equipment											
1.	Technical Equipment and Machinery	203.648		-107.459	96.189	89.497	2.252	-53.977	37.772	114.151	58.417
2.	Office and Other Equipment	1.059.263	18.451	-7.587	1.070.126	710.053	129.995	-7.587	832.461	349.210	237.665
	Total PP&E	1.262.911	18.451	-115.046	1.166.316	799.550	132.247	-61.564	870.234	463.361	296.082
Financial Assets											
1.	Shares in affiliated	14.020.570	17.500		14.038.070	1.000.000	-	-	1.000.000	13.020.570	13.038.070
2.	Loans to affiliates	129.506.610	7.877.617	-9.077.213*	128.307.014	2.367.630	44.137.676	-	46.505.306	127.138.980	81.801.709
	Total Financial Assets	143.527.180	7.895.117	-9.077.213*	142.345.084	3.367.630	44.137.676	-	47.505.306	140.159.550	94.839.779
	Total Assets	157.475.947	14.989.274	-9.192.259	163.272.962	8.072.959	48.754.465	123.128	56.765.861	149.402.988	106.507.101

*Repayment of loans by affiliates