MARLEY SPOON

# ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT 2023

Marley Spoon SE, Berlin

## Management Report for the 2023 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 nine 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 and Engineering teams reporting to the Chief Technology Officer are focused on developing software solutions for the Company’s customers and software tools for use by the wider business across all functions.

In 2023, significant progress was made on Marley Spoon’s digital technology, with advancements made on its product offering, data and operational capabilities. The Company introduced a new self service capability that provides customers with the ability to report issues with their delivery or meals via the Company’s mobile apps. The user interface for the weekly menu was updated to include the ability to filter results according to a customer’s dietary preferences. The core platform was also improved to provide increased pricing flexibility for delivery slots and to shorten the gap between order and the first delivery by a day.

Data science was leveraged in several areas of the company. Enhancements were made to the recommendation system to increase the prominence of new recipes and to suggest recipe customizations that are most relevant for each user. Improvements were made to several data science models including but not limited to order forecasting and demand forecasting for non-food items such as packaging and insulation.

In the Company’s fulfillment centers, previously introduced handheld scanners and barcodes were completely rolled out to every process step that included inventory movement so that system inventory levels are as close to physical reality as possible. A new feature was added to the production line monitoring system that enabled operators to report root causes for interruptions and delays as they happened, providing actionable insights for the improvement of important operational metrics such as line speed and downtime.

Marley Spoon capitalized EUR 7.5 million of digital assets in fiscal year 2023, of which EUR 6.6 million was internally developed software. The Company recognized EUR 8.0 million of total amortization expense.

### Economic report

### 1. Economic outlook and industry overview

#### Economic outlook

In 2023, high input costs and economic uncertainty persisted, despite attempts to curb inflation through monetary tightening and reduced fiscal support. Geopolitical tensions, such as the war in Ukraine, and high interest rates, added to ongoing economic challenges. Despite inflation in produce, protein, and fuel prices, the Company successfully mitigated these challenges with improved food cost planning and delivery operations, innovative packaging strategies, and an expanded product range featuring premium recipes at higher price points.

The International Monetary Fund's (IMF) January 2024 World Economic Outlook suggests an improved outlook for inflation in 2024, however, it is still projected to linger above pre-COVID levels, with an expected rate of 5.8%. Marley Spoon is seeing continued inflation in its business albeit at a lower level as compared to 2023. Price increases, entering into contracts for a certain duration for raw materials and other initiatives such as adjusting recipes according to ingredient costs, will help offset inflation.

According to various news outlets and studies, consumer confidence in Europe remains pessimistic, with views on the economic outlook deteriorating (Euronews, January 2024). Conversely, the United States saw an increase in consumer confidence, signaling optimism for 2024 despite some fluctuations in expectations (The Conference Board's consumer confidence index reported in December 2023). In Australia, consumer confidence rose to its highest level in 20 months, attributed to moderating inflation and changing expectations for interest rates (The Westpac-Melbourne Institute Consumer Sentiment index reported in February 2024).

**2. Business development**

During the financial year 2023, the Company's disciplined focus on cost control contributed to the reduction in G&A spend, excluding one-time charges, year-on-year of 6%. Revenues were EUR 31,9 million, a 19% decrease as compared to 2022 (39,3 million), driven by the Company's deliberate decision to reduce marketing spend in order to improve customer quality (i.e. offering lower discounts) and focus on profitability. Contribution margin landed near 2022 levels at 29,0% (2022: 33,2%) while contribution margin excluding intercompany costs improved to 19,1% as compared to 12,2% in 2022.

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 2023, Management expected 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. This was subsequently revised to double-digit net revenue decline, and to deliver full year 2023 Operating EBITDA in line with or better than FY 2022 to reflect the soft consumer environment and deliberate corporate shift to focus on improvements in customer quality and the Company's profitability.

Due to the strong consumer headwinds of weak consumer spending and low confidence stemming from macroeconomic conditions, and the deliberate decision to reduce marketing spend, the revenue decrease of 19% was below Management's expectations. Contribution margin contracted versus the prior year (4,2%), due to a high level of inflation that the Company was not able to fully absorb and weakened consumer confidence. Finally, Operating EBITDA was negative, as expected, but worse than 2022 which is driven by the impairment of intercompany loans and receivables in 2023 in the amount of EUR 71 million (2022: 46,5 million). Excluding the impairment charge, Operating EBITDA of -5,2 million was in line with prior year of -4,9 million.

**a) Earnings position**

| *EUR in thousands* | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Revenue | 31.901 | 39.310 |
| Costs to generate the revenue | -22.665 | -26.261 |
| **Contribution Margin** | 9.236 | 13.050 |
| | | |
| Distribution costs | -4.646 | -6.560 |
| General & administrative costs | -93.299 | -63.002 |
| Other operating income | 5 | 15 |
| **EBIT** | -88.705 | -56.497 |
| Other interest and similar income | 10.745 | 6.818 |
| Interest and similar expenses | -1.601 | -1.308 |
| **EBT** | -79.561 | -50.987 |
| Other taxes | -1.317 | 0 |
| **Net loss** | -80.878 | -50.987 |

Revenue decreased from EUR 39,3 million in 2022 to EUR 31,9 million in 2023. This development was mainly driven by strong consumer headwinds, notably low consumer confidence and heightened price sensitivity impacted acquisition volumes and order frequency. Similar revenue decline in the subsidiaries yielded a 4% reduction in revenue from the charge-out of license fees and other services to the subsidiaries in the amount of EUR 16,5 million (previous year: EUR 17,1 million). Costs to generate the revenues similarly decreased from EUR 26,3 million in 2022 to EUR 22,7 million in 2023, following the decline in revenues.

The 2023 contribution margin (CM) was positive at EUR 9,2 million and represents 29,0% as a percentage of revenue (previous year: 33,2%). Adjusted for the recharging effect from the license fees and other services in the revenue, this figure changes to 19,1% (previous year: 12,2%), an improvement driven by disciplined cost management. For calculating that number, license fees revenue for the subsidiaries in the amount of EUR 16,5 million (previous year: EUR 17,1 million) and associated costs in the amount of EUR 10,2 million (previous year: EUR 6,8 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 1,9 million or 29% year-on-year because of the Company's deliberate decision to reduce marketing spend in line with its strategy to improve customer quality (i.e. offering lower discounts) and improved profitability.

General & administrative costs increased by EUR 30,3 million, primarily attributed to the impairment of intercompany loans (2022: EUR 44,1 million, 2023: EUR 66,6 million). In 2023, the Company also had restructuring costs and costs associated with the SPAC transaction and subsequent listing in Frankfurt contributing to an increase in general & administrative costs which did not occur in 2022.

Other interest income increased in 2023 by EUR 3,9 million to EUR 10,7 million and mainly comprises interest income from loans to subsidiaries. Interest expenses incurred on externally financed loans in 2023 slightly increased to EUR 1,6 million with changes in the loan facilities (prior year: EUR 1,3 million).

As a result, the net loss increased to EUR -80,9 million in comparison with the prior year (EUR -51,0 million).

**b) Financial position**

The liquidity of Marley Spoon SE remained secure throughout the 2023 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 0,4 million (prior year: EUR 6,6 million), a EUR 6,2 million year-on-year decrease. This resulted from positive cash flows from financing activities (EUR 33,5 million) offsetting negative cash flows from investing (EUR -7,6 million) and operating activities (EUR -32,2 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 6,6 million). The positive cash flow from financing activities resulted from EUR 35 million in proceeds from share issuances in 2023 and a new intercompany loan from MSG of EUR 4 million. These inflows were partially offset by repayments of external borrowings of EUR 3,4 million (EUR 2,5 million to BVB and EUR 0,9 million to Runway) and interest payments of EUR 0,9 million.

The Company was always able to meet its payment obligations during the financial year. For 2024, the Management assumes that all existing payment obligations can be met. Management's assessment of the current financial position is shown in Section IV.

**c) Asset position**

| *EUR in thousands* | 31.12.2023 | 31.12.2022 | Year-over-Year Change |
|---|---|---|---|
| **ASSETS** | | | |
| Non-Current assets | 54.155 | 106.507 | -49,2% |
| Current assets | 38.884 | 28.535 | 36,3% |
| Prepaid expenses | 229 | 391 | -41,5% |
| **Total Assets** | 93.268 | 135.433 | -31,1% |
| | | | |
| **LIABILITIES AND EQUITY** | | | |
| Equity | 61.133 | 106.494 | -42,6% |
| Provisions | 2.911 | 1.702 | 71,0% |
| Liabilities | 29.224 | 27.237 | 7,3% |
| **Total Liabilities & Equity** | 93.268 | 135.433 | -31,1% |

Total assets were EUR 93,3 million, EUR 42,2 million lower than in the previous year. Marley Spoon SE's assets consist mainly of shares in and loans to subsidiaries, intangible assets, and short-term assets. Non-Current assets decreased by 49,2% compared to the previous year, primarily due to the impairment in intercompany loans to subsidiaries in the amount of EUR 66,6 million (prior year: EUR 44,1 million). Current assets increased by EUR 10,4 million primarily driven by a net increase in intercompany receivables of EUR 19,4 million (after considering bad debt), and a EUR 2,7 million increase in other assets, offsetting a decrease of EUR 6,2 million in cash at banks.

Total liabilities and equity consist mainly of equity capital, borrowings, and payables due to related parties. Liabilities of EUR 29,2 million are comprised principally of EUR 10,6 million in borrowings (maturity of 0 to 3 years), EUR 15,7 million in payables due to related parties of the Company (maturity of up to one year), and a net deferred tax liability of EUR 1,3 million attributed to temporary differences offsetting a deferred tax asset on tax loss carry forwards. Remaining liabilities of EUR 1,6 million have a maturity of up to one year. The provisions of EUR 2,9 million include provisions for holidays, outstanding invoices and costs associated with the preparation and audit of the financial statements. The increase in liabilities by EUR 2 million can be attributed to an increase in payables due to related parties of the Company (EUR 4,3 million) and new deferred tax liabilities (EUR 1,3 million), offset by a net reduction in borrowings of EUR 2,4 million attributed to the change in the money market loan from Berliner Volksbank (reduced from EUR 5 million in 2022 to EUR 2,5 million in 2023).

Equity decreased in 2023 by EUR 45,4 million to EUR 61,1 million. The development is due to the loss for the year of EUR -80,9 million and capital increases in 2023 of EUR 35,6 million. The equity ratio as at 31 December 2023 is 66% (previous year 79%). On the balance sheet date, Marley Spoon SE reported a loss carry-forward of EUR -91,6 million.

## III. Outlook

Marley Spoon remains encouraged by its long-term growth potential given the early stage of online shopping adoption in groceries and the overall size of the home-eating market opportunity. The Company sees 2024 as an important transition year after experiencing reduced consumer demand and revenue decline in 2023. Over the course of 2023 consumer demand stabilized but there continues to be an uncertain economic outlook across all regions impacting consumer sentiment driven by high interest rates and restrictive monetary policy. Navigating 2024 will require continued focus on lean operations and cost saving, while launching initiatives to reignite organic growth and at the same time pursuing market consolidation opportunities. 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 decline as compared to 2023, moderate contribution margin expansion, and single-digit negative Operating EBITDA for the financial year 2024.

## IV. 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) of approximately 5 percentage points, reduction in G&A expenses as a percentage of net revenue of approximately 5 percentage points in fiscal year 2024 as compared to FY 2023 (normalized for non-recurring costs such as transaction fees) and EUR 15m payments of intercompany receivables from subsidiaries. The development of the 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 or additional cost reductions. Management expects the Company to be able to address these additional headwinds with the respective measures.

## V. 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, previously chaired by Ms. Robin Low and now chaired by Ms. Erika Soderberg Johnsson 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 2023. 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**<br>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. |
| **Low Consumer Confidence**<br>The outlook for the economy in the Company's two largest markets, the US and Australia has improved, with consumers returning to spending and feeling more optimistic about the economy. However, Europe remains muted in terms of consumer confidence with budget concerns remaining, in part connected to the geopolitical conflicts occurring (see below). | / | | Marley Spoon operates a multi-brand portfolio which includes Dinnerly, a more value-oriented meal kit alternative. The Company also launched "Super Saver" recipe options in 2023 to appeal to a more price sensitive consumer and to counter a reduction in order frequency. Flexible pricing enabled by the Company's digital technology also gives the Company levers to alter prices as needed. |
| **Geopolitical Conflicts**<br>While the Company does not have operations in Ukraine or in Eastern Europe or the Middle East, the ongoing conflicts could continue to put pressure on fuel prices and/or raw material costs. | / | | The Company contended with significant inflation in fuel and raw material costs throughout 2023 and was able to offset a good portion of it through price increases and greater agility in its procurement efforts. See "Low Consumer Confidence" risk for additional mitigating actions. |
| **Customer acquisition and retention**<br>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.<br><br>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. | / | | The media environment for acquisitions is more fragmented now but Marley Spoon can respond by leveraging its marketing technology expertise, scalable team, and automation opportunities, along with diversifying into emerging channels and more offline media. In addition, evolving pricing strategies will help counter promotional pressure in the category.<br><br>Marley Spoon is constantly working to improve its production capabilities and service levels. The hiring of a new Chief Operating Officer at the end of 2023 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**<br>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. In the US in particular, this risk may be further mitigated by the purchasing scale of the Company's fulfillment partner, FreshRealm. |
| **Third party sourcing / product perishability**<br>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. |
| **Talent shortage and/or retention challenges**<br>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. | / | | Marley Spoon regularly reviews its talent acquisition approach, including exploring talent pools in other locations. The Company is in the process of revamping its equity program and standardizing its approach to regular compensation reviews. Addressing high workloads through |

| | | | |
|---|---|---|---|
| | | | better planning and resource management and regularly identifying top talent to retain are ongoing efforts designed to mitigate the talent risk. |
| **Key personnel, operational excellence**<br>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, Daniel Raab, 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 Group 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**<br>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 its 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. In addition, a selection of IT tools has been centralized in order to better control approval of licenses to avoid internal breaches. |
| **Severe weather events**<br>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 last couple of years, 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. | / | | 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 Australia or in the US via FreshRealm's fulfillment center footprint. |
| **Reliance on single logistics operator in Australia**<br>Risk of service failure in the event the Company's logistics provider in Australia would suffer operational or financial issues. | / | Newly added | Marley Spoon conducts ongoing strict supervision of operational performance and diligent relationship management at all levels, enabled by being co-located in the same fulfillment space. In addition, the Company's contract with the logistics provider has protective clauses in the event of significant business decline |
| **Transition and integration of recently announced transactions (BistroMD and FreshRealm)**<br>The Company closed in February 2024 two transactions impacting its US business: the acquisition of BistroMD (a share purchase agreement by Marley Spoon's parent, Marley Spoon Group but managed commercially by the Company's US entity), a ready-to-eat business and the asset sale of the Company's production and fulfillment assets to FreshRealm. Delays in integration or more complexity than foreseen at the outset could cause delays and potentially financial impacts. | / | Newly added | Marley Spoon has been implementing a comprehensive 120-day transition plan aimed at providing full support to FreshRealm for absorbing the Company's operations. A transition services agreement is in place to ensure a smooth handover, while a dedicated integration project lead has been established to oversee the integration of BistroMD. The Company is also benefiting from its integration in the last two years of Chefgood, acquired in Australia. |

## REGULATORY AND LEGAL

| *Principal Risk* | *Assessment* | *Change* | *Mitigation* |
|---|---|---|---|
| **Food safety regulations**<br>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* |
|---|---|---|---|
| **Liquidity risk**<br>Liquidity risk is the risk that a Group entity will encounter difficulty in meeting obligations associated with financial liabilities. | / | | The February 2024 FreshRealm transaction and associated equity raise and debt paydown, which reduced interest expense, has enhanced the Company's liquidity. Cash balances and forecasts are monitored weekly. Should the Group's plans to improve cash flows from operations through its business performance not materialize, the Group would need to seek additional equity funding. |
| **Financing risk**<br>Marley Spoon is capitalized through a combination of equity financing coming from public capital markets as well as debt, though currently has negative net assets. The Company can be directly affected by developments and risks inherent in such capital markets. | / | | 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. Additionally, the Company is on track to de-list from the ASX, as previously announced. A single listing in Frankfurt is believed to be more attractive to investors. Finally, the Company's primary debt facility has had the interest-only period and maturity extended by one year each. |
| **Foreign currency risk**<br>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 to Marley Spoon. | / | | The Company's finance department ensures ongoing liquidity oversight and management, including managing funding per entity as locally as possible to avoid intercompany funding that is exposed to negative foreign exchange impacts. Foreign currency exposure is more translational than transactional, with most purchasing done locally at the Segment level. |
| **Interest rate risk**<br>Future cash flows of financial instruments may fluctuate because of changes in market interest rates. The Group has exposure to movements in interest rates arising from its portfolio of interest rate sensitive assets and liabilities. These principally include debt and cash. | / | | The Company has so far been servicing its debt within its operations, even as interest rates have risen. In connection with the July 2023 business combination agreement, the Company's rate on its largest facility has decreased from 8,5% over SOFR to 7,5% over SOFR. Additionally, the sizable pay down of debt in February 2024 will decrease interest expense further. In October 2023, the Company put in place an interest hedge for a two-year period. Also in February 2024, the interest-only period on the Company's Runway debt and the maturity of the loan were both extended by one year to January 2026 and June 2027, respectively. |
| **Credit and fraud risk**<br>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.<br>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 exposure on trade receivables since customers principally pay before delivery.<br>Marley Spoon has also recently partnered with a dedicated fraud detection/management company. In addition, the Company regularly reviews its portfolio of payment methods to improve security and effectiveness in this area. |

**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.

Operating on three continents positions Marley Spoon well to service the total addressable market and to benefit from an accelerated channel switch.  By offering innovative, personalized and healthy meal solutions, Marley Spoon solves customers' problems. Marley Spoon has both the capacity 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.

## VI. 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, 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, 11 June 2024

Management Board:

**Fabian Siegel**
**Founder & Chief Executive Officer**

**Jennifer Bernstein**
**Chief Financial Officer**

**Daniel Raab**
**Chief Operating Officer**

**Balance sheet as at December 31, 2023**

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **A. Fixed Assets** | | |
| I. Intangible fixed assets | | |
| 1. Internally generated intangible assets | 9.543.764 | 10.404.071 |
| 2. Purchased software and licenses | 1.428.568 | 967.170 |
| | 10.972.332 | 11.371.241 |
| II. Tangible fixed assets | | |
| 1. Technical equipment and machinery | 56.165 | 58.417 |
| 2. Other equipment, operating and office equipment | 123.107 | 237.665 |
| | 179.272 | 296.082 |
| III. Financial assets | | |
| 1. Shares in affiliated companies | 13.020.570 | 13.038.070 |
| 2. Loans to affiliated companies | 29.983.091 | 81.801.709 |
| | 43.003.662 | 94.839.779 |
| Total fixed assets | 54.155.265 | 106.507.101 |
| **B. Current Assets** | | |
| I. Inventories | | |
| Finished goods and merchandise | - | 133.913 |
| II. Receivables and other assets | | |
| 1. Trade receivables | 55.394 | 14.837 |
| 2. Other assets | 1.508.473 | 4.207.013 |
| 3. Receivables from affiliated companies | 36.957.058 | 17.530.716 |
| III. Cash-in-hand, bank balances | 363.147 | 6.648.677 |
| Total current assets | 38.884.073 | 28.535.156 |
| **C. Prepaid expenses** | **228.575** | **390.980** |
| **Total assets** | **93.267.913** | **135.433.237** |

| | | |
|---|---|---|
| **A. Equity** | | |
| I. Subscribed capital<br>(Conditional capital: EUR 3.748.348, prior year: EUR 2.210.200) | 73.559.137 | 39.335.973 |
| II. Capital reserves | 160.073.636 | 158.780.220 |
| III. Accumulated losses | -172.499.722 | -91.622.166 |
| **Total Equity** | **61.133.051** | **106.494.027** |
| **B. Provisions** | | |
| Other provisions | 2.910.703 | 1.702.059 |
| **C. Liabilities** | | |
| **1.** Bonds<br>– of which due within one year EUR 82.087 (prior year: EUR 315.695)<br>– of which due after more than one year EUR 7.034.998 (prior year: EUR 7.686.137) | 7.117.085 | 8.001.832 |
| **2.** Liabilities to banks<br>– of which due within one year EUR 3.461.205 (prior year: EUR 5.003.686) | 3.461.205 | 5.003.686 |
| **3.** Trade liabilities<br>– of which due within one year EUR 1.220.511 (prior year: EUR 2.189.714) | 1.220.511 | 2.189.714 |
| **4.** Liabilities to affiliated companies<br>– of which due within one year EUR 11.729.075 (prior year: EUR 11.457.415) | 15.721.704 | 11.457.415 |
| **5.** Other liabilities<br>– of which taxes EUR 199.238 (prior year: EUR 254.769)<br>– of which social security obligations EUR 49.272 (prior year: EUR 24.692)<br>– of which due within one year EUR 373.406 (prior year: EUR 547.336)<br>– of which due after more than one year EUR 13.200 (prior year: EUR 37.170) | 386.606 | 584.506 |
| **6.** Deferred Tax Liabilities | 1.317.049 | - |
| **Total Liabilities** | **29.224.160** | **27.229.624** |
| **Total equity and liabilities** | **93.267.913** | **135.433.237** |

**Income statement for the period from 1 January to 31 December 2023**

| | 2023<br>EUR | 2022<br>EUR |
|---|---|---|
| Revenues | 31.900.561 | 39.310.340 |
| Costs to generate the revenues | -22.665.010 | -26.260.827 |
| **Contribution margin** | **9.235.552** | **13.049.513** |
| Distribution costs | -4.646.267 | -6.559.714 |
| General & administrative costs | -93.299.172 | -63.001.794 |
| Other operating income | 5.242 | 14.585 |
| Other interest and similar income | 10.745.391 | 6.817.864 |
| Interest and similar expenses | -1.601.252 | -1.307.585 |
| **Earnings before taxes** | **-79.560.507** | **-50.987.131** |
| Taxes on income & earnings | -1.317.049 | - |
| **Net loss** | **-80.877.556** | **-50.987.131** |
| Losses carried forward from previous years | -91.622.166 | -40.635.035 |
| **Accumulated losses** | **-172.499.722** | **-91.622.166** |

**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, 2023, 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 2023 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 (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. Pursuant to the German minimum taxation rules, the Company has recognized a EUR 2,3 million deferred tax asset on tax loss carry forwards which is offset by a deferred tax liability on temporary differences of EUR 3,6 million, yielding a net deferred tax liability of EUR 1,3 million.

**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 balance sheet 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 2023, Marley Spoon capitalized self-developed software of EUR 6,6 million and EUR 922 thousand of purchased intangibles. Total product development expenses in 2023 amounted to EUR 9,4 million (2022: EUR 10,1million).

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 | -6.459 |
| Marley Spoon Finance Pty, Ltd. | Sydney, Australia | 100 | - | - |
| Chefgood Pty Ltd | Sydney, Australia | 100 | -11.128 | -772 |
| Marley Spoon GmbH | Klagenfurt am Wörthersee, Austria | 100 | -4.042 | -86 |
| Marley Spoon BV | Nieuwegein, Netherlands | 100 | -21.961 | -7.357 |
| Marley Spoon Ltd. | London, United Kingdom | 100 | -2.923 | -174 |
| MMM Consumer Brands Inc. | New York, New York, USA | 99 | -101.682 | -23.945 |
| Marley Spoon Unipessoal Lda | Lisbon, Portugal | 100 | -378 | 403 |

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 860 thousand (previous year EUR 226 thousand) and trade receivables in the amount of EUR 55 thousand (previous year: EUR 15 thousand). Deposits included in other assets were EUR 397 thousand (previous year EUR 413 thousand). Intercompany receivables, due from subsidiary companies, were EUR 37 million (previous year EUR 17,5 million). The residual maturities of the receivables and other assets total less than 1 year.

**Equity**
*Share Capital*
On December 31, 2023, the issued registered share capital is EUR 73.559.137 (previous year: EUR 39.335.973) and is fully paid. The share capital is divided into 73.559.137 no-par value shares.

*Capital increase from Company funds and decrease of transmutation ratio*
During 2022, 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).

In May 2023 EUR 3,0 million and in June 2023 EUR 32,0 million was invested into Marley Spoon without being transmuted into CHESS Depositary Interests (CDIs). This was not required as a result of the Business Combination agreement. On 6 July 2023, the Company closed its business combination agreement with 468 SPAC II SE. As part of this agreement, 468 SPAC II SE, now renamed Marley Spoon Group SE ("MSG"), holds shares representing 84% of the Company. MSG's intention is to obtain 100% ownership of the Company as soon as practicable, and ultimately delist the Company from the ASX. The Company settled the deferral fee liability of EUR 592 thousand (of which EUR 569 thousand relates to share capital) related to the amendments of its debt terms with Runway in combination with the BCA through the issuance of shares, which were registered in the commercial register on 4 July 2023.

*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, 2023, the Conditional capital and the Authorized capital amount to a total of EUR 3.748.348.

**Provisions**
Other provisions consist primarily of provisions for outstanding invoices amounting to EUR 2.654 thousand (previous year: EUR 1.498 thousand), a provision for a VAT obligations (EUR 151 thousand) and social security obligations (EUR 86 thousand).

**Liabilities**
Total liabilities amount to EUR 29.224 thousand (previous year: EUR 27.230 thousand) and primarily consist of loan liabilities amounting to EUR 10.578 thousand (previous year: EUR 13.006 thousand) with a term of 0-3 years as well as liabilities to the subsidiaries with an amount of EUR 15.722 thousand (prior year: EUR 11.457 thousand). There are no loan liabilities of over five years.

Other liabilities total EUR 387 thousand (prior year: EUR 585 thousand) of which EUR 373 thousand (prior year: EUR 547 thousand) are due in less than one year, Liabilities from wages and salaries, payroll tax and social security agencies amount to EUR 49 thousand (previous year: EUR 300 thousand). The maturity date of accounts payable of EUR 1.221 thousand (prior year: EUR 2.190 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 & 2023) 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, and March 2023 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 awards outstanding under the SOPs (including RSUs granted) was 20.879.506 (previous year 13.375.234).

| | 2023 | 2022 |
|---|---|---|
| Exercise Price (EUR) | 0,13 | 0,14 – 0,44 |

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 31.901 thousand (previous year: EUR 39.310 thousand) and primarily resulted from the sale of goods in Germany amounting to EUR 15.402 thousand (previous year: EUR 22.162 thousand) and group internal revenues from licenses and services to affiliated companies amounting to EUR 16.499 thousand (previous year: EUR 17.148 thousand).

**Cost to generate revenues**
Cost of sales includes manufacturing costs for goods in the amount of EUR 22.665 thousand (previous year: EUR 26.261 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** | **2023** | 2022 |
|---|---|---|
| Cost of raw materials, consumables and supplies | 5.486 | 8.563 |
| **Total** | 5.486 | 8.563 |

**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** | **2023** | 2022 |
|---|---|---|
| Wages and salaries | 8.361 | 11.439 |
| Social security, post-employment and other employee benefit costs | 1.108 | 1.213 |
| *thereof: pension provision* | *78* | *68* |
| **Total** | 9.469 | 12.584 |

Additionally, General & Administrative expenses in the current year include one-time costs related principally to transaction fees in connection with the business combination agreement (4,9 million EUR) and restructuring expenses and severance payments related to a restructuring program executed by the Company during FY 2023 (4,5 million EUR).

**Interest income**
Interest income is broken down as follows:

| **in EUR thousand** | **2023** | 2022 |
|---|---|---|
| Other interest and similar income | 10.745 | 6.818 |
| *thereof from affiliated companies* | 10.745 | 6.818 |
| **Total** | 10.745 | 6.818 |

**Interest expenses**
The interest expenses result from loan liabilities and amount to EUR 1.601 thousand (2022: EUR 1.308 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 2023 |
|---|---|
| < 1 year | 889 |
| 1 - 2 years | 224 |
| 2 - 3 years | - |
| > 3 years | - |
| **Total** | 1.113 |

**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 through 1 October 2023
- Daniel Raab, Chief Operating Officer (COO) since 1 October 2023

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:

- Christian Gisy, Chairman of the Supervisory Board (since 11 September 2023), board member since August 2022
- Erika Söderberg Johnsson, SB Member and Chair of the Audit & Risk Committee, since 11 September 2023
- Judith Jungmann, SB Member and Chair of the Nominations and Remuneration Committee, since 25 August 2023
- Alexander Kudlich, SB Member since 11 September 2023

Previous SB members include:

- Deena Shiff, Chairman of the Supervisory Board, 5 June 2018 through 11 September 2023
- Robin Low, SB Member and Chair of the Audit & Risk Committee, 29 January 2020 through 11 September 2023
- Roy Perticucci, SB Member, 11 June 2021 through 11 September 2023
- Kim Anderson was a SB Member and Chairman of the Nominations & Remuneration Committee from 05 June 2018 until she stepped down 19 August 2022.

For 2023, the cash fees (including superannuation) paid to the current members of the Supervisory Board amount to approximately EUR 294 thousand in aggregate (2022: EUR 345 thousand). For their services as a member of the Supervisory Board during the financial year 2023, each Supervisory Board member, except Mr. Kudlich, received a fixed annual remuneration in the amount of EUR 66.229 (AUD 100.000). The base remuneration is inclusive of any applicable taxes, social contributions, superannuation, and other duties imposed on the respective member of the Supervisory Board. Individual board members that serve as chairman of the Company's committees receive the following additional remuneration: EUR 66.229 (AUD 100.000) for the Chairman of the Supervisory Board and EUR 13.245 (AUD 20.000), for the Chairman of the ARC and of the NRC Committees, both in 2022 and 2023. There is no equity-based remuneration for the Supervisory Board in 2023 or 2022.

**Number of employees**

The Company employed on average 194 employees in the financial year, of which 194 were salaried employees and 0 were hourly employees (previous year: 244 employees wherein 241 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 parent, Marley Spoon SE prepares consolidated financial statements for the smallest group of companies, which are published in the Unternehmensregister [German Federal Gazette]. Marley Spoon Group SE, Luxembourg, as the ultimate parent of Marley Spoon SE prepares consolidated financial statements for the largest group of companies, published in the Unternehmensregister.

**Subsequent events**

*FreshRealm*

On 30 January 2024, Marley Spoon SE's US subsidiary, MMM Consumer Brands, Inc. ("MMM") signed and on 9 February 2024, closed, agreements with FreshRealm, Inc. ("FreshRealm") to enter into a strategic partnership for manufacturing and fulfillment, transforming the Company toward an asset-light model in support of scalability for future market consolidation. An asset purchase agreement was executed under which (i) certain production and fulfillment assets (and the associated security) and contractual obligations, including leasehold improvements, furniture, fixtures and equipment and certain liabilities located at the New Jersey, Texas and California fulfillment centers, and (ii) certain assets relating to, used or held for use by or in connection with the BistroMD operations (see below) were sold for a consideration of USD 24.000 thousand, a portion of which was held in escrow for a 12-month period. This transformation of the US subsidiary business will allow Marley Spoon SE to focus its investments in the US market on future market consolidation and reducing costs.

At the same time, Marley Spoon Group SE signed an agreement for the acquisition of BistroMD, LLC ("BistroMD"), the leading doctor-designed ready-to-eat meal plan in the US as a first step toward its previously announced growth and consolidation strategy, adding EUR 35 million in revenue (unaudited) in the large and growing US ready-to-eat market. Simultaneously, certain larger investors of Marley Spoon Group SE invested a total of EUR 8,035 million at EUR 4,00 per share to support the above transactions.

*Runway*

On 23 January 2024, a Joinder and Seventh Amendment to the loan agreement was signed to provide for Marley Spoon Group SE to join as a new guarantor.

On 30 January 2024, a Consent and Eighth Amendment to the loan agreement was signed confirming the following:

- Extension of the amortization date of the loan to 15 January 2026;
- Extension of the maturity date of the loan to 15 June 2027;
- Granting of consent for MMM to execute the transaction with FreshRealm;
- Granting of consent for Marley Spoon Group SE to enter into a share purchase agreement with BistroMD for acquisition of the company

On 30 January 2024, a Ninth Amendment to the loan agreement was signed determining a pre-payment, without penalty, of the loan balance of EUR 10.320 thousand (USD 11.200 thousand), EUR 1,1 million (USD 1,2 million) of which was applied to the Runway loan amount held directly by Marley Spoon SE. It also provided for the possibility of potential rate reductions upon certain pre-payment thresholds.

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, 11 June 2024

Management Board:

| | | |
|---|---|---|
| **Fabian Siegel** | **Jennifer Bernstein** | **Daniel Raab** |
| **Founder & Chief Executive Officer** | **Chief Financial Officer** | **Chief Operating Officer** |

**Statement of changes in fixed assets at 31 December 2023**

| | | Acquisition and Production Costs | | | | Accumulated Amortization, Depreciation & Impairment | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **01.01.2023** | **Additions** | **Disposals** | **31.12.2023** | **01.01.2023** | **Additions** | **Disposals** | **31.12.2023** | **01.01.2023** | **31.12.2023** |
| | | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| **Intangible Assets** | | | | | | | | | | | |
| 1. | Internally generated assets | 17.397.438 | 6.624.425 | - | 24.021.863 | 6.993.367 | 7.484.732 | - | 14.478.099 | 10.404.071 | 9.543.764 |
| 2. | Purchased software and licenses | 2.364.124 | 922.224 | - | 3.286.349 | 1.396.954 | 460.827 | - | 1.857.781 | 967.170 | 1.428.568 |
| | Total Intangible Assets | 19.761.562 | 7.546.649 | - | 27.308.212 | 8.390.321 | 7.945.558 | - | 16.335.880 | 11.371.241 | 10.972.332 |
| | | | | | | | | | | | |
| **Property, Plant & Equipment** | | | | | | | | | | | |
| 1. | Technical Equipment and Machinery | 96.189 | - | - | 96.189 | 37.772 | 2.252 | - | 40.025 | 58.417 | 56.165 |
| 2. | Office and Other Equipment | 1.070.126 | 5.552 | - | 1.075.679 | 832.461 | 120.110 | - | 952.572 | 237.665 | 123.107 |
| | Total PP&E | 1.166.316 | 5.552 | - | 1.171.868 | 870.234 | 122.363 | - | 992.596 | 296.082 | 179.272 |
| | | | | | | | | | | | |
| **Financial Assets** | | | | | | | | | | | |
| 1. | Shares in affiliated | 14.038.070 | - | -17.500 | 14.020.570 | 1.000.000 | - | - | 1.000.000 | 13.038.070 | 13.020.570 |
| 2. | Loans to affiliates | 128.307.014 | 14.833.931 | -5.129* | 143.135.816 | 46.505.306 | 66.647.419 | - | 113.152.725 | 81.801.709 | 29.938.091 |
| | Total Financial Assets | 142.345.084 | 14.833.931 | -22.629 | 157.156.386 | 47.505.306 | 66.647.419 | - | 114.152.725 | 94.839.779 | 43.003.661 |
| | | | | | | | | | | | |
| | Total Assets | 163.272.962 | 22.386.133 | -22.629 | 185.636.466 | 56.765.861 | 74.715.340 | - | 131.481.201 | 106.507.101 | 54.155.265 |

*Repayment of loans by affiliates