MARLEY SPOON

APPENDIX 4E

PRELIMINARY FINAL REPORT 2022

ABN 625 684 068

IMPORTANT INFORMATION:

Marley Spoon AG, a German stock corporation (Aktiengesellschaft) with its headquarters in Berlin, Germany, registered with the Commercial Register of the local court (Amtsgericht) Berlin Charlottenburg under HRB195994 B, is registered as a foreign company under the Corporations Act 2001 (Cth) (ARBN 625 684 068).

Reporting period

Report for the twelve months ended 31 December 2022. The comparative period is the twelve months ended 31 December 2021.

Results for announcement to the market

Marley Spoon AG's ("Marley Spoon" or "the Company") and its subsidiaries' (together "the Group") consolidated results for announcement to the market are detailed below:

	2022 EUR thousands	2021 EUR thousands	Change EUR thousands	Change %
Revenue	401,242	322,393	78,849	24.5%
Net profit / (loss) after tax attributable to members	(39,730)	(46,207)	6,477	(14.0%)

Dividends

The Group has not recognized or authorized any dividends during the presented periods.

Explanation of results

In 2022 revenue increased by EUR 78.8 million or 24.5% to EUR 401.2 million compared with the 2021 financial year (EUR 322.4 million). By segment, the US grew 32.2%, followed by Australia with 31.0% growth, while Europe contracted 10.3%. This global performance was in line with the Company's outlook. The business delivered nearly 63 million meals in FY 2022, a 7% increase compared to 2021.

The Company had slightly improved the contribution margin in 2022 compared with the previous corresponding period (PCP) at 28.7% (2021: 28.5%). EBIT was EUR (27.6) million in 2022, compared to EUR (43.4) million in 2021 with the positive change mainly attributed to net revenue growth, particularly the increase in the price per portion, as well as a reduction in marketing spend and flat general & administrative costs (as a % of net revenue) versus the PCP.

Financing income and expenses increased from EUR (3.0) million in the PCP to EUR (12.2) million in 2022, mainly driven by interest expense on debt. Net loss after tax attributable to members for the period decreased from EUR (46.2) million in 2021 to EUR (39.7) million in 2022.

Statement of Comprehensive Income

Please refer to the Statement of Comprehensive Income, and the accompanying notes to the statement, in the attached Financial Statements.

Statement of Financial Position

Please refer to the Statement of Financial Position, and the accompanying notes to the statement, in the attached Financial Statements.

Statement of Cash Flows

Please refer to the Statement of Cash Flows, and the accompanying notes to the statement, in the attached Financial Statements.

Statement of Changes in Equity

Please refer to the Statement of Changes in Equity, and the accompanying notes to the statement, in the attached Financial Statements.

Dividends or distributions

The Group has not recognized or authorized any dividends during the presented periods.

Dividend or distribution reinvestment plans

There are no dividend or distribution reinvestment plans in operation.

Net tangible assets per security

	31 December 2022 EUR	31 December 2021 EUR
Net tangible assets per ordinary share[1]	(1.7)	(92.8)

[1] Chess Depositary Interests (CDIs) are publicly traded on the ASX. As at 31 December 2022, 10 CDIs are equivalent to one share in the Company (31 December 2021: 1,000 CDIs equivalent to one share).

The calculation of net tangible assets per ordinary share is based on the total number of issued shares (*Aktien*) as at 31 December 2022 of 39,335,973 shares and as at 31 December 2021 of 284,051 shares.

Details of entities over which control has been gained or lost during the period
On 4 January 2022, the Company closed its acquisition of 100% of the share capital of Chefgood Pty Ltd (Chefgood), a Melbourne-based ready-to-heat meal provider.

Details of associates and joint venture entities
The Company has no associates or joint venture entities.

Other significant information
Please see Management's evaluation of the Company's performance in "Group financial position and performance" in the attached Management Report section of the Annual Report.

Applicable accounting standards
The Appendix 4E Preliminary Final Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

Commentary on results of the period
Earnings per security and the nature of any dilution aspects: please refer to note 14 in the attached Financial Statements.

Returns to shareholders including distributions and buy-backs: not applicable.

Significant features of operating performance & discussion of trends in performance: please refer to the "Group financial position and performance" in the attached Management Report section of the Annual Report.

The results of segments that are significant to an understanding of the business: please refer to note 2 in the attached Financial Statements.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified: not applicable.

Audited information
This preliminary financial report under ASX Listing Rule 4.3A covers Marley Spoon and its controlled entities and is based on the consolidated financial statements and financial report which have been audited by Ernst & Young. An unqualified opinion has been issued by the auditors.

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

Date: 27.02.23

Jennifer Bernstein, Chief Financial Officer
Member of the Management Board

Date: 27.02.23

Rolf Weber, Chief Operating Officer
Member of the Management Board

Date: 27.02.23


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MARLEY SPOON

ANNUAL REPORT 2022

ABN 625 684 068

MARLEY SPOON KEY PERFORMANCE INDICATORS (KPIs)

Group Financial KPIs

Group	2022	2021	+/- (%)
€ millions			
Net revenue	**401.2**	**322.4**	**24.5%**
Net revenue on a constant currency basis	372.7	322.4	15.6%
CM %	**28.7%**	**28.5%**	**0.2 pts**
Operating EBITDA	(8.8)	(32.6)	23.8
Operating EBITDA %	**(2.2%)**	**(10.1%)**	**7.9 pts**
Group financial position			
Cash flow from change in net working capital	(6.6)	16.5	(140%)
Cash flow from operating activities (CFOA)	(18.7)	(14.9)	26%
Cash & cash equivalents	19.0	38.7	(51%)

Segment Financial KPIs

Australia	2022	2021	+/- (%)
€ millions			
Net revenue	**154.3**	**117.8**	**31.0%**
Net revenue on a constant currency basis	147.8	117.8	25.4%
Contribution margin (CM)	47.8	40.0	7.8
CM %	**31.0%**	**33.9%**	**(2.9 pts)**
Operating EBITDA	**8.8**	**0.7**	**8.1**
Operating EBITDA %	5.7%	0.6%	5.1 pts

United States	2022	2021	+/- (%)
€ millions			
Net revenue	**197.4**	**149.4**	**32.2%**
Net revenue on a constant currency basis	175.4	149.4	17.4%
Contribution margin (CM)	57.8	39.4	18.4
CM %	**29.3%**	**26.3%**	**3.0 pts**
Operating EBITDA	**11.9**	**(9.8)**	**21.7**
Operating EBITDA %	6.0%	(6.5%)	12.5 pts

Europe	2022	2021	+/- (%)
€ millions			
Net revenue	**49.5**	**55.2**	**(10.3%)**
Contribution margin (CM)	9.7	12.5	(2.8)
CM %	**19.7%**	**22.6%**	**(2.9 pts)**
Operating EBITDA	**(29.5)**	**(23.5)**	**(6.0)**
Operating EBITDA %	(60.0%)	(42.6%)	(17.4 pts)
Operating EBITDA excluding headquarter costs	**(7.5)**	**(4.4)**	**(3.1)**

Other KPIs

	2022	2021	+/- (%)
Active customers (thousands)	313	376	(16.8%)
Active subscribers (thousands)	249	268	(7.1%)
Average order value (EUR, net)	55.78	46.39	20.2%
Average order value (EUR, net) at constant currency	51.81	46.39	11.7%
Total orders (millions)	7.2	6.9	4.3%
Meals sold (millions)	62.8	58.7	7.0%
Average meals per order	8.7	8.4	3.6%
Cost per acquisition (CAC, EUR)	66.71	66.85	(0.2%)
% revenue from repeat customers	95%	93%	2.0%

FROM THE CEO

Berlin, February 2023

Dear Shareholders,

2022 was another year of macro challenges that required our team members to operate with great flexibility so we could continue to fulfill our customers' expectations in a changing world.

The past year tested us in various ways. Global warming impacted our business in all regions, from record floods in Australia to record heat waves and droughts in the US and changing growing seasons in Europe. The war in the Ukraine further accelerated food and energy inflation, culminating in double digit inflation in the US and Europe towards the end of 2022. Bound by a common vision and shared ambition, the Marley Spoon team responded by keeping their heads down and focusing so we could continue to do what we love: helping to provide a home cooked meal for our subscribers' families.

While many of the challenges experienced in 2022 were not foreseen at the beginning of the year, we were able to successfully execute our plan throughout the year and achieve our guidance, leading to significantly improved Operating EBITDA result year-over-year and ending with a profitable fourth quarter.

Marley Spoon offers a convenient and competitively priced alternative to grocery shopping that satisfies our customers' ambition to serve tasty and healthy meals at home. The ongoing direct relationship with our customers and the data we collect about their recipe choices and food preferences allow us to continuously improve our service offering, which in turn further strengthens customer loyalty. With our customers at the center of everything we do, we intend to continue to innovate and evolve our business model.

Continued growth
In 2022 we grew our business by 24%. This was achieved by executing our three-tier growth strategy: 1) attracting new customers at attractive unit economics and stable acquisition costs, 2) increased order value driven by price increases and incremental customer offerings and 3) the integration of Chefgood, our ready-to-heat brand acquired in January 2022.

Stable contribution margins
Despite ongoing supply chain disruptions and an accelerating inflationary environment, we were able to maintain a stable contribution margin compared to the prior year as a result of operational improvements, especially in our US business, as well as pricing changes across our brands.

Expanded product offering and customer experience
We have learned that an attractive and personalized recipe offering improves customer loyalty and increases average order value. Consequently, over the years we have been a leader in recipe choice and flexibility in all regions in which we operate. In 2022 we expanded this leadership by increasing recipe choice globally, leading to 100 weekly recipe offerings in the US as of the beginning of 2023. In addition to providing greater recipe choice, in 2022 we launched our Market offering, allowing customers to select additional grocery items to add to their weekly boxes. We also introduced premium and saver recipes with differentiated price points to provide additional options to customers. The expanded choice in product offering throughout last year led to an increase in meals per order which led to higher basket sizes as our customers were able to find more choices that suit their families' tastes and preferences. We also continued to invest in our global customer service operations that again won customer service awards in 2022.

Sustainability
Our business model has an advantage compared to the traditional supermarket retail model. Whereas supermarkets contend with food waste due to the short shelf life of perishable items they have in stock, Marley Spoon's made-to-order supply chain avoids most food waste. Additionally, according to a 2019 study by the University of Michigan, cooking with a meal kit reduces greenhouse gas emissions on average by one-third, compared to a traditional supermarket's emissions. In 2022 we published our second Sustainability Report to share our commitment to building an ever more sustainable business.

Strong US & Australia performances with Europe amidst turnaround
In 2022 our Australian segment delivered another year of operating profitability, despite its contribution margin being negatively impacted by external macro events. Last year our US business - now our largest segment - also turned Operating EBITDA profitable driven by continued growth and strong improvements in contribution margin. Our EU business did not operate as successfully, experiencing a reduction in sales, lower contribution margin and overall increased losses compared to the prior year. Under new leadership in the

second half of 2022, the EU region initiated a turnaround plan which will continue into 2023. First results have been encouraging with Q4 2022 contribution margin significantly improving quarter-over-quarter, returning to historical margin levels.

Outlook 2023

Our outlook for 2023 is cautiously optimistic. We are experiencing a softening of consumer demand, as increases in interest rates impact consumer purchasing power and consumption priorities. We are confident that we will continue to attract new subscribers at attractive unit economics and acquisition costs. At the same time, we are seeing existing customers reduce their spending for online groceries. Therefore, we expect only single digit growth for 2023. We expect our contribution margins to expand year-over-year due to ongoing improvements in our operations. Margin expansion, paired with continued disciplined cost management, should improve our financial performance compared to the prior year. We therefore also expect group level full year Operating EBITDA profitability.

I believe we are still at the beginning of our journey to build a global provider, at significant scale, of direct-to-consumer meal solutions and more. For this ongoing journey I appreciate your continued trust and support while I would also like to thank the team at Marley Spoon for their hard work and dedication.

Fabian Siegel
Founder & Chief Executive Officer

FROM THE CHAIRMAN

Sydney, February 2023

Dear Shareholders,

FY 2022 was a year of solid growth at 24% (16% in constant currency), including the acquisition of Chefgood in January 2022.

Highlights of the year included:

- Stable contribution margin despite inflationary pressures and a volatile operating environment, with significant contribution margin improvement in the US, our largest market;
- Positive Operating EBITDA in Q4;
- Increase in customer choice stimulating increased average order value.

Through the course of the year, Marley Spoon adjusted to the impact of input cost inflation as well as the uncertainty of buying behavior, which was most noticeable in Europe. The countermeasures taken by management, especially in providing consumers with increased choice, are indicators of how deepening the relationship with the customer will drive loyalty and average revenue per user.

Customer choice in 2022 extended beyond brands and the number of recipes available to include offerings provided by the launch of Market. The integration of Chefgood into our Australian business after its acquisition in January 2022 enabled us to offer ready-to-heat options to our local customers. Investment in the digital platform in the year has also facilitated greater pricing flexibility with Super Saver meals launched for the budget-conscious customer alongside premium options at higher price points.

Financial results

For the full year, Marley Spoon recorded:

- Net revenue of EUR 401 million, an increase of 24% on the prior year
- Contribution margin of 28.7%, stable despite significant inflationary and supply chain headwinds (2021: 28.5%)
- Operating EBITDA of EUR (8.8) million, a significant improvement over 2021, which saw a loss of EUR (32.6) million
- Net loss of EUR (40.0) million, an improvement over 2021’s net loss of EUR (46.6) million
- Year-end cash balance of EUR 19 million

Financing activity

In order to improve its balance sheet in 2022, Marley Spoon successfully raised EUR 16.0 million in equity with strong support from existing substantial shareholders. Additionally, the Company executed an amendment with Runway Growth Capital, the Company’s debt lender, to extend the interest-only period on the debt until January 2024.

We have prioritized cost restraint and disciplined cash management during this period when customers are spending more carefully, and the cost of money is at historically high levels.

The Management Board

In December 2021, the Management Board was expanded to include Rolf Weber, who has added the role of Chief Operating Officer to his role as CEO of Marley Spoon’s Australian operations. He complements the existing team comprised of Fabian Siegel, the Founder and Group CEO, and Jennifer Bernstein, the Group CFO.

The expanded Management Board has navigated a challenging operating environment and balance sheet constraints by exercising tight discipline over costs and by methodically implementing operational improvements.

Supervisory Board composition

The Supervisory Board consists of four independent non-executive Directors appointed for three-year terms.

Three Directors, Robin Low, the Chairman of the Audit and Risk Committee, Kim Anderson, the Chairman of the Nominations and Remuneration Committee and myself, Chairman of the Supervisory Board, were re-appointed for three-year terms at the Annual General Meeting in June 2021. Roy Perticucci joined the Board in 2021. Roy’s senior experience in a variety of e-commerce operational settings including managing Amazon's European operations, has been a timely and relevant addition to the Board's governance skill set as the Management Board faced the challenges of 2022.

In August 2022, Kim Anderson retired as a non-executive Director. At that time Christian Gisy was appointed and succeeded Ms. Anderson as the Chairman of the Nominations and Remuneration Committee. Mr. Gisy has also brought valuable skills to the Board. Mr. Gisy is a former CFO of Scout 24 AG and a former CEO of AUTODOC AG. He is currently the Chairman and non-executive Director of the At Home Group, a Luxembourg based online business and is Deputy Chairman and a non-executive Director of Advyce GmbH, a German based management consulting business.

Sustainability
Amongst its other functions the Supervisory Board oversees the Sustainability goals for 2022 which were set out in Marley Spoon's inaugural 2021 Sustainability Report.

The Company's 2022 Sustainability Report will be published independently of the Annual Report.

Marley Spoon's environmental goals focus upon carbon emissions, reduction in waste, in particular food waste, increasing the use of recyclable, reusable and compostable packaging, and increasing the amount of deliveries with electric vehicles in logistics.

Areas of focus
The Supervisory Board anticipates that as in 2022 the business will continue to benefit from:

- intense focus on the core operations of the business, simplifying where possible,
- a focus on our people, building internal capability, leadership and accountability,
- maintaining attractive margins with a focus on cost discipline, and
- reviewing the options to refinance debt as the Company improves its underlying profitability.

In the meantime, we remain passionate about the potential of the business to meet the daily mealtime needs of our customers in a healthy and sustainable way.

Finally, I particularly thank our shareholders for your ongoing support and for sharing our belief in the future of the Company.

Deena Shiff
Chairman/Vorsitzende

GROUP MANAGEMENT REPORT OF MARLEY SPOON AG

1 Business Model & Strategy

1.1 How it works

The Company's meal kit and ready-to-heat options are provided to its customers through a simple four-step process:

Step 1: Our culinary team designs a range of varied recipes

- Each week chefs and nutritionists select recipes for each market and brand. These recipes may be existing or new recipes which have been developed in-house.
- Recipes are selected:
  - with regard to the availability of seasonal fresh produce and proteins;
  - to provide a variety of meal options to meet different dietary requirements, tastes and preferences; and
  - to offer different cuisine options.

Step 2: Customers decide what to cook and when

- Customers sign up for weekly deliveries unless they skip a delivery or cancel their subscription.
- Up to 6 days before the delivery day (the 'order cutoff'), the customer selects the following, submitted through the Marley Spoon, Dinnerly or Chefgood websites or their mobile applications:
  - the number of meals from meal kits in the coming week(s) - generally between 2 and 6 meals per week;
  - the desired recipes the customer wishes to make;
  - the number of portions required (generally either between 2-12 portions per recipe); and
  - a delivery day and time (options can vary by region).

Step 3: We source ingredients and deliver them to the customer's door

- The Company sources its meal kit ingredients from producers or suppliers, generally on a "source to order" basis which allows for fast turnaround of quality, fresh ingredients to customers. Ingredients are delivered to the Company's fulfillment centers, where our associates then assemble the meal kits, or in the case of Chefgood, cook the meals, with the required quantity of each ingredient. Meal kits are typically delivered weekly (with multiple delivery windows) in recyclable boxes. Perishables are protected in boxes lined with insulation and contain ice packs to preserve their freshness.

Step 4: Customers cook and enjoy

- Each meal kit contains fresh pre-measured ingredients, ready for customers to cook at their convenience.
- A recipe card is included with each meal, on paper or digitally, which provides simple, step-by-step cooking instructions.
- Meals may require customers to have a few pantry staples (e.g., oil, salt and pepper) and select kitchen equipment (e.g., oven, stove and common cooking items like pots, pans, knives, grater, etc.).

1.2 Multi-brand strategy

Marley Spoon

Marley Spoon is the Company's original brand and is present in all of the Company's markets. The product offering consists of up to 40 meal options per week, depending on the country, with customers being able to choose between 2 and 12 portions. Marley Spoon is targeted at customers who seek delicious and exciting recipes and unique flavors on the market.

In the US, Marley Spoon has a licensing and promotion agreement with Martha Stewart Living Omnimedia through the end of calendar year 2023. Through this agreement, Marley Spoon offers the co-branded 'Martha Stewart and Marley Spoon' meal kit.

Dinnerly

In July 2017, Marley Spoon introduced its second brand, Dinnerly, launching in the United States. The brand broadens the Company's customer base by offering simple and tasty recipes for a great price to more cost-conscious consumers. Like Marley Spoon, Dinnerly offers a variety of different meals per week, depending on the market, with customers able to choose between 2 to 12 portions.

Dinnerly uses the same supply and distribution chain as Marley Spoon with a similarly simple subscription and order process. The main difference between the two brands is the number of individual ingredients in a meal, with Dinnerly offering lower priced recipes.

Following the successful launch of Dinnerly in the United States, Marley Spoon launched Dinnerly in Australia in March 2018, in Germany in July 2020 and in the Netherlands in February 2021.

Chefgood
In January 2022, the Company completed its acquisition of Chefgood, a direct-to-consumer ready-to-heat (RTH) business in Australia providing the Company access to a high-growth, adjacent category that complements its core meal kit business. Chefgood, founded in 2013, is focused on health and convenience and is offered as a standalone product to consumers as well as an add-on to Marley Spoon and Dinnerly meal kits. It is currently only available in Australia.

1.3 Key features of the Marley Spoon business model

Marley Spoon's business model is based on six key elements:

1.4 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 cost into the algorithm for recipe rankings. Additionally, Chefgood, the Company's 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 and EUR 6.0 million acquired intangibles in the context of the Chefgood acquisition. The Company recognized EUR 5.5 million of amortization expense. Total product development expense for 2022 was EUR 10.1 million (2021: 8.7 million).

1.5 Performance measurement system

Marley Spoon has an internal performance measurement system which defines and measures appropriate performance indicators in line with the Company's strategy. Marley Spoon measures both financial and non-financial performance indicators on a monthly, quarterly, and annual basis to evaluate the health and progress of the Company. These indicators are, or can be, so-called non-GAAP financial measures. Other companies, which use financial measures with a similar designation, may define them differently.

1.5.1 Financial performance indicators

Marley Spoon uses several financial performance indicators, as listed below, but the most significant ones are net revenue, contribution margin (as a % of net revenue), and operating EBITDA.

Net revenue	The receivable for goods supplied and is defined as gross revenue net of promotional discounts, customer credits, refunds and VAT
Net revenue on a constant currency basis	Net revenue adjusted for EUR fluctuations against the USD & AUD year over year
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 such as equity-settled share-based payments, as well as significant items of income and expenditure that are the result of an isolated, non-recurring event. This is an indicator for evaluating operating profitability
Net working capital	The sum of current trade and other receivables, inventories, and prepayments, less the sum of trade and other payables, current provisions, deferred income and other current creditors
Cash flow from operating activities	An indicator of the operating cash flows generated by the business. It is calculated as net income adjusted for all non-cash income/expenses plus/minus cash inflows/outflows from net working capital

1.5.2 Non-financial performance indicators

The below non-financial indicators are relevant to the evaluation of Marley Spoon's business performance, customer focus and cash generated and are utilized along with the financial KPIs to manage the business.

Active customers	Customers who have purchased a Marley Spoon or Dinnerly meal kit at least once over the past three months
Active subscribers	Customers who have an active subscription (i.e., ordered or skipped a delivery) on an average weekly basis during the quarter
Average basket size net (on a constant currency basis)	The average monetary value of one (Martha Stewart &) Marley Spoon or Dinnerly order i.e., net revenue divided by the number of orders in a given period (excluding the impact of foreign currency fluctuations versus the prior period)
Total orders	Number of customer orders in a given time period
Meals sold	Number of individual meals or total portions sold within a specified period
Average meals per order	Number of meals sold in a given time period divided by the number of customer orders in that same period
Customer acquisition costs (CAC)	Costs of acquiring a customer (i.e., marketing expenses such as media spend) calculated over a period per new customer acquired during that period, net of marketing vouchers
Revenue from repeat customers	Net revenue from orders in a certain time period from customers who have ordered the same brand in the same country before (not necessarily in the same period)

2 Economic Position & Position of the Group

2.1 Economic outlook & industry overview

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 section).

Industry overview

The meal kit industry is quite nascent, with the biggest players having been founded within the last decade or so and growing to scale in an even more recent timeframe. Global sales of meal kits are currently estimated at $12 billion according to Company analysis and a May

2021 report by Research & Markets, "Meal Kit Delivery Services Market Report 2021-2028." The category is expected to reach $27 billion in sales by 2028, a 13% CAGR, owing in part to the fact that meal kits are a niche segment within the online grocery segment, which itself is also still developing and growing. In fact, the trade publication Supermarket News estimated in an October 2021 article that online grocery currently has only 9.5% penetration of total grocery sales. McKinsey also estimated in a July 2021 article that by the end of 2020 in the United States, after the peak of the pandemic, online penetration was in the range of 9-12%, whereas other industries, such as beauty, apparel and electronics, pre-pandemic, had online penetration rates between 10-20%, or more, suggesting online grocery is still poised to grow. Given the relatively low penetration of online grocery within overall grocery, a vast category, the Company believes there is a market and strong growth trajectory for meal kits. As consumers continue to shift from offline to online grocery shopping, a trend McKinsey believes is here to stay, meal kits as a sub-segment of online grocery should continue to benefit.

Meal kits are frequently grouped with other industries that have also grown in recent years, notably restaurant food delivery and grocery delivery. While they share in common a direct-to-consumer model, they still serve different needs and audiences. Most notably, meal kits are solving a recurring everyday problem of what to cook for dinner and while restaurant food delivery similarly solves that problem, it does so in a less healthy and affordable way. Grocery delivery does not address the "what's for dinner" problem at all and contributes much more waste than meal kits which provide pre-apportioned ingredients for all meals.

2.2 Marley Spoon share and share capital structure

Marley Spoon's issued capital (*Grundkapital*) as of 31 December 2022 amounts to 39,335,973 shares (*Aktien*).

Since July 2018, Marley Spoon has been listed as a foreign company on the Australian Securities Exchange (ASX) under the symbol "MMM". Rather than shares, securities called Chess Depositary Interests (CDI) are publicly traded on the ASX. As at 31 December 2021 1,000 CDIs are equivalent to one share in the Company. As a result of the 2022 increase of share capital from company funds by converting existing capital reserves into registered share capital and simultaneously decreasing its current share to CDI transmutation ratio, as at 31 December 2022 10 CDIs are equivalent to one share in the Company. Consequently, 393,359,730 CDIs have been issued as of 31 December 2022.

As of 31 December 2022, Marley Spoon's authorized capital (*genehmigtes Kapital*) and conditional capital (*bedingtes Kapital*) amount to 6,667,927 shares (*Aktien*) in aggregate. A portion of this authorized capital/conditional capital is reserved to back-up the Company's post-IPO Share Option Programs (SOPs) and Restricted Stock Unit Programs (RSUPs).

Basic share data

Type of shares	CHESS DEPOSITARY INTERESTS
Stock exchange	Australian Securities Exchange (ASX)
Shares issued	39,335,973
CDIs issued	393,359,730
Subscribed share capital	39,335,973.00 EUR
ISIN	AU0000013070
ARBN	625 684 068
Ticker symbol	MMM

Share performance 2022 [1]	
CDI price as at 31 December 2022	A$ 0.13
High (14/01/22)	A$ 0.97
Low (22/12/22)	A$ 0.13
Market capitalization as at 31 December 2022	A$ 51 million
Average daily trading volume (in A$)	A$ 292,813
Average daily trading volume (in CDIs)	777,861 CDIs/day

[1] Source: ASX

2.3 Group financial position and performance

EUR in millions	31 December 2022	31 December 2021
Assets		
Current assets	36.2	52.2
Non-current assets	75.7	60.4
Total assets	**111.9**	**112.6**
Equity and liabilities		
Current liabilities	63.2	60.6
Non-current liabilities	91.8	69.6
Total liabilities	**155.0**	**130.2**
Equity	**(43.1)**	**(17.6)**
Total equity and liabilities	**111.9**	**112.6**

Current assets decreased from EUR 52.2 to EUR 36.2 million in 2022. This was mainly due to the Company's lower cash position of EUR 19.0 million at year-end (2021: 38.7 million), offset slightly by a 40%, or EUR 3.7 million, increase in inventory, from EUR 9.4 million in 2021 to EUR 13.1 million in 2022. Cash decreased year-on-year due to a lower level of working capital and significantly higher interest expense in 2022 vs. 2021. Inventory increases were due in part to the growth of the business, including the addition of Chefgood.

Non-current assets increased by EUR 15.3 million to EUR 75.7million in 2022. This includes EUR 9.0 million of goodwill and an increase of intangible assets net of amortization by EUR 7.6 million, attributable to the capitalization of internally developed software of EUR 2.5 million and acquired intangibles of EUR 4.8 million with the Chefgood purchase. Right-of-use assets net of depreciation decreased by EUR 2.3 million. Property, plant and equipment net of depreciation increased by EUR 1.0 million driven in part by the build-out of Chefgood's new manufacturing facility in Melbourne.

Current liabilities increased from EUR 60.6 million to EUR 63.2 million, mainly driven by EUR 7.8 million of borrowings and EUR 8.7 million of lease liabilities payable in the next twelve months and contingent consideration for the purchase of Chefgood of EUR 3.3 million payable in 2023.

Non-current liabilities increased by EUR 22.2 million due to a EUR 21.6 million increase in long-term debt, with the drawdown of the second tranche of the Runway facility (EUR 19.3 million). See further details on non-current liabilities in note 6.7 of the Consolidated Financial Statements.

Equity decreased by EUR 25.5 million mainly driven by the increase of accumulated losses from EUR 272.7 million to 312.4 million, partially offset by the gross proceeds of the capital raises in 2022 (EUR 15.9 million) and stock option expense (EUR 1.0 million).

Earnings position of the Group

For the 12 months ended 31 December 2022, net revenue was up EUR 78.8 million or 24.5% (15.6% on a constant currency basis) to EUR 401.2 million as compared to the PCP, the twelve months ended 31 December 2021 (EUR 322.4 million). By segment, the US grew 32.2%, followed by Australia with 31.0% growth, while Europe contracted (10.3%). This global performance was in line with the Company's outlook. The net revenue growth was due to several factors. Continued demand for meal kits led to order growth of 4%, from 6.9 million orders in 2021 to 7.2 million in 2022. In addition, the average net basket size increased from EUR 46.39 in 2021 to EUR 55.78 in 2022 driven by initiatives to increase average revenue per user, such as Market (grocery add-ons), premium recipes (more exclusive meal options at a surcharge) and increased prices. The completion of the Chefgood acquisition in January 2022 also contributed to the Company's growth.

Contribution margin (CM) as a % of revenue was 28.7%, in-line with the prior year's performance and guidance for FY2022, despite significant input cost inflation and supply chain disruptions. Operational improvements in the Company's fulfillment centers as well as pricing helped maintain stable margin performance despite the significant cost headwinds in 2022.

Marketing expense decreased 10% year-on-year driven by the Company's deliberate decision to reduce marketing spend in 2022 in order to better balance measured topline growth with a focus on improved profitability. Marketing as a % of net revenue was 16% for the year, a decrease of 6 pts as compared to 2021.

General & Administrative (G&A) expenses as a percentage of net revenue remained flat versus the PCP, owing to disciplined cost control and the further centralization of activity driving more cost efficiency.

Earnings Before Interest & Tax (EBIT) was EUR (27.6) million in 2022, an improvement compared to 2021 (EUR (43.4) million) driven by: net revenue growth, particularly the increase in the price per portion, as well as a reduction in marketing spend.

Financing Income & Expenses increased by EUR 9.2 million to EUR (12.2) million in 2022 from EUR (3.0) million in the PCP, mainly driven by interest expense on the Company's loan facilities.

The Company's net loss for the period decreased from EUR (46.6) million in 2021 to EUR (40.0) million in 2022, with the net revenue growth and decrease in Marketing expenses driving the improvement.

Operating EBITDA for the full year was EUR (8.8) million, an improvement of 23.8 million compared to 2021 and in line with the outlook for 2022, driven by a reduction in marketing spend to deliver more measured growth while improving profitability, as well as a disciplined focus on cost control.

EUR in millions	**2022**	**2021**	**Change vs. prior year**
Revenues	**401.2**	**322.4**	**24%**
Cost of goods sold	(216.8)	(173.3)	25%
Gross profit	184.4	149.1	24%
Fulfilment expenses	(69.1)	(57.3)	21%
Contribution margin (CM)	**115.3**	**91.8**	**26%**
CM as % of revenues	**28.7%**	**28.5%**	**0.2 pts**
Marketing expenses	(64.0)	(71.2)	(10%)
General & administrative expenses	(79.0)	(64.0)	23%
Operating expenses	**(143.0)**	**(135.2)**	**5.8%**
EBIT	**(27.6)**	**(43.4)**	**(36%)**
Financing income & expenses	(12.2)	(3.0)	307%
Earnings before taxes (EBT)	(39.9)	(46.4)	(14%)
Tax (expense) / benefit	(0.1)	(0.1)	(0%)
Net loss for the period	**(40.0)**	**(46.6)**	**(14%)**
Operating EBITDA	**(8.8)**	**(32.6)**	**(73%)**
Operating EBITDA as % of revenue	**(2.2%)**	**(10.1%)**	**7.9 pts**

Cash flows and cash position

Cash flow from operating activities (CFOA) was EUR (18.7) million in 2022, compared to operating EBITDA losses of EUR (8.8) million, driven largely by the Company's working capital dynamics. This was a decrease of EUR 3.8 million compared to the PCP.

The Company had negative cash flow from investing activities of EUR (18.5) million in 2022, mainly driven by cash payments for the purchase of Chefgood (EUR 7.8 million) and investment in intangible assets of (EUR 7.0 million). Additionally, EUR 3.7 million was spent on purchases of property, plant and equipment.

Marley Spoon always met its payment obligations during the financial year. In connection with the Company's liquidity, Marley Spoon had various financing events in 2022 that contributed to funding its growth:

- During Q1 2022, the Company repaid the outstanding aggregate short-term loan balance of EUR 5 million due to BVB by drawing a EUR 5 million account overdraft facility with BVB which carried an interest rate of 5.5% per annum. This was subsequently repaid in Q2 2022 when the Company drew down a new EUR 5 million loan from BVB. This new money market loan carries an interest rate of 7% per annum, has been drawn down for 90 days and renews in 90-day increments. The loan maturity is at the end of January 2023 but was extended until the end of February 2023 when it was renewed at new terms (see details in note 19 to the financial statements).

- Also, during Q2 2022, the Company drew down the second tranche (USD 20 million (EUR 19.3 million)) of the group's existing debt facility with Runway Growth Capital, which carries the same conditions as the previously drawn USD 53.1 million of the debt facility.
- During Q3 2022 the Company obtained two financing arrangements for its global insurance renewals. One is for EUR 1 million at an interest rate of 2.4% per annum, with repayments through Q2 2023. The other is for EUR 400 thousand at an interest rate of 4.55% per annum, with repayments also through Q2 2023.
- Finally, in Q4 2022, the Company obtained a new asset financing arrangement with NAB in Australia. The loan is for EUR 900 thousand at an interest rate of 7.02% per annum and matures in 2025.

As at 31 December 2022, the cash and cash equivalents on balance amounted to EUR 19.0 million (prior year: EUR 38.7 million). For 2023, the Management Board assumes that all existing payment obligations can be met.

EUR in millions	31 December 2022	31 December 2021
Cash flows from operating activities	(18.7)	(14.9)
Cash flows from investing activities	(18.5)	(21.5)
Cash flows from financing activities	17.6	41.6
Net increase in cash and cash equivalents	**(19.6)**	**5.1**
Cash and cash equivalents at the end of the year	**19.0**	**38.7**

3 Risk and Opportunities Report

In the course of its business, Marley Spoon AG and its subsidiaries (or "the Group") face risks and opportunities that can impact its results of operations and financial position. Transparent management and control systems are used to identify these risks and opportunities early and to manage them accordingly. This report presents the most important items applicable to the Group.

3.1 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 AG 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 risk management, 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 and consolidated financial statements (*Jahresabschluss, Konzernabschluss*). This 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.

3.2 Risk reporting and methodology

Marley Spoon's risk management framework is used to support Marley Spoon's business operations, to provide consistency in addressing risks, and ultimately to facilitate the Company's 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 continually updates the RR based on the input across all of the Company's functions. The RR is reviewed by the CFO, considered by Marley Spoon's Management Board, and made available to the ARC, the Supervisory Board, and the Company's auditors. The cyclical reporting process is supplemented by ad-hoc reporting, in the case that critical issues arise.

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 the given probability ranges, 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.

Potential Impact	Assessment	Legend
Catastrophic	Risk ≥ EUR 10 million	
Major	M€ 5 ≤ Risk < EUR 10 million	
Moderate	M€ 2.5 ≤ Risk < EUR 5 million	
Minor	M€ 0.25 ≤ Risk < EUR 2.5 million	
Insignificant	M€ 0 < 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.

3.3 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 Group 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 canceling 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 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 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, though currently has negative net assets. 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 to Marley Spoon.	/		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 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.	/		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 2024, and with the possibility to extend for a further 6 months to June 2024, 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 Group 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 Group's plans to improve cash flows from operations through continued topline growth, margin expansion and improved profitability not materialize, the Group would need to seek additional equity funding.

*The financial risks are also discussed in note 10 of the notes to the Consolidated Financial Statements.

The Group'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. Management's forecast entails a positive cash balance for the next twelve months assuming a contribution margin expansion to at least 30% and a reduction in G&A expenses as a percent of net revenue by at least 1 percentage point for the fiscal year 2023 as compared to FY 2022. The development of cash flows 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 Group's ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by additional margin expansion and cost reduction. Management expects the Group to be able to address these additional headwinds with the respective measures.

Separately, a number of options not yet factored into the Company's forecasts are being considered as part of a strategic review of the Company's capital structure. These include the sale or partial sales of the business, business combinations as well as restructuring options which would improve the liquidity of the Company.

3.4 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 with eight fulfillment centers (including the Chefgood manufacturing facility) across its regions 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, with the expansion of its fulfillment centers in Sydney and California in 2021, 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.

4 Outlook

Marley Spoon remains encouraged by its long-term potential, particularly as it continues on its path toward profitability. The Company is cautiously optimistic around 2023 given that a challenging operating environment persists. There is an uncertain economic outlook across all regions 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

These principles will help the Company as it seeks to grow year-on-year, albeit more slowly as compared to previous years. Slower topline growth will be balanced by planned contribution margin expansion as the Company seeks to improve profitability vs. 2022.

On the basis of the above, the Company has guided to the following financial performance for 2023:

- Single digit net revenue growth in constant currency as compared to FY 2022
- Expanded contribution margin to between 30-32%
- Full year positive Operating EBITDA

OTHER REPORTING ITEMS

1 Remuneration Report

The Directors of Marley Spoon present this remuneration report for the year ended 31 December 2022. The report outlines Marley Spoon's remuneration policy and practices, explains how the Company's 2022 performance has driven executive remuneration outcomes, and provides the details of specific remuneration arrangements that apply to key management personnel (KMP) in accordance with the requirements of the Corporations Act 2001.

Key Management Personnel (KMP) are defined as persons having authority and responsibility for planning, directing, and controlling the activities of the Group. Marley Spoon's KMP are assessed each year and comprise the non-executive Directors (members of the Supervisory Board (*Aufsichtsrat*)), and the executive Directors (members of the Management Board (*Vorstand*)) of the Company. There were no changes to the KMP during the reporting period, other than those noted below, or after the reporting date up to the date the financial report was authorized for issue.

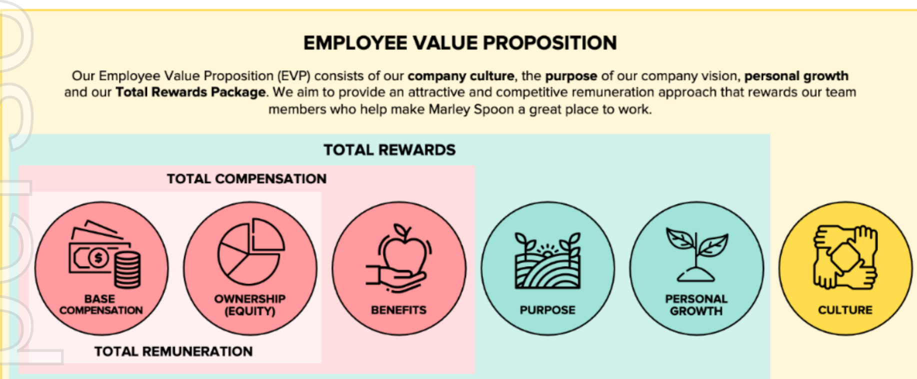
Non-Executive KMP	
Deena Shiff	Chairman of the Supervisory Board
Kim Anderson[1]	Non-executive Director
Robin Low	Non-executive Director
Roy Perticucci	Non-executive Director
Christian Gisy[2]	Non-executive Director

Executive KMP	
Fabian Siegel	Chief Executive Officer (CEO) and Chairman of the Management Board
Jennifer Bernstein	Chief Financial Officer (CFO)
Rolf Weber	Chief Operating Officer (COO)

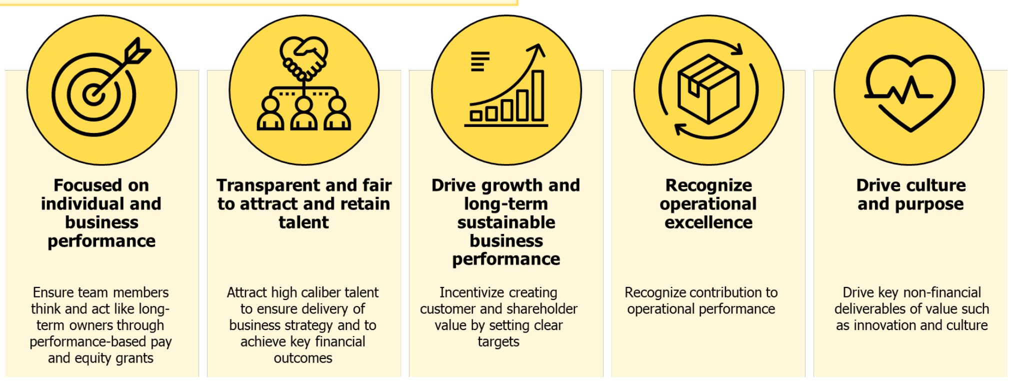
[1]Ms. Anderson stepped down from the Supervisory Board effective 19 August 2022.
[2] Mr. Gisy was appointed to the Supervisory Board and as Chair of the Nominations and Remuneration Committee effective 19 August 2022.

Marley Spoon believes in and has created a strong Employee Value Proposition (EVP) which combines compensation, purpose, personal growth and culture. The Company aims to provide attractive and competitive remuneration that holistically rewards team members and enables the Company to compete for great talent in the market.

Compensation is just one component of the total rewards strategy for which the Company uses Mercer external market data to conduct regular benchmarking of salary ranges per job level. Marley Spoon conducted its first benchmarking study in 2021 with the aim of implementing new salary ranges per market for team members starting in 2022.



The Company's remuneration framework is designed to attract, motivate, and retain high caliber talent to ensure delivery of the Company's business strategy and culture. Marley Spoon believes this framework is appropriate to incentivize and recognize performance at a high level, to advance the Company's purpose and values, and to foster an environment in which team members act as owners and deliver customer and shareholder value.



Marley Spoon's executive KMP compensation and reward framework has two components:

- Fixed remuneration
- Variable remuneration

FIXED REMUNERATION

STRUCTURE:
Cash salary and other benefits (including employee superannuation per local market practice) at market competitive rates

STRATEGIC PURPOSE:
Attract and retain high caliber employees with required qualifications, capabilities and experience

SHORT-TERM INCENTIVE (STI)

STRUCTURE:
Cash; currently not awarded but planned to be introduced in 2023 for executive positions

STRATEGIC PURPOSE:
Motivate and reward performance within a year

LONG-TERM INCENTIVE (LTI)

STRUCTURE:
Granted annually as an equity award (share options) tied to delivery of Company performance targets

STRATEGIC PURPOSE:

- Align the interests of senior executives with those of shareholders
- Incentivize the achievement of long-term sustainable growth and shareholder value
- Attract and retain outstanding senior leaders

PERFORMANCE MEASURES:
Operating EBITDA and contribution margin; the weighting of an individual measure can be up to 70% of the total grant

CONDITIONAL VESTING / PERFORMANCE BASED:
Options vesting / earning is conditional on the successful achievement of one or two performance measures, as established in the Share Option Program (SOP) Terms & Conditions

PERFORMANCE PERIOD:
The performance measures are tested over two financial years commencing with the financial year in which the grant is made

VESTING PERIOD:
Graded over four years, inclusive of the performance period, and exercisable only after fully vesting due to statutory four-year waiting period

EXERCISE PRICE:
Calculated using a one-month VWAP prior to the date of the grant of the options

DIVIDENDS AND RIGHTS:
Options awarded do not come with the right to receive dividends, nor do they entitle the beneficiary to any other shareholders' rights

EXPIRY PERIOD:
The right to exercise the option expires two years after the end of the four-year waiting period

LAPSED OPTIONS:
Where the participant ceases employment due to termination for cause (including gross misconduct), or other predefined "bad leaver" events, all of the participant's vested and unvested options will automatically lapse. In all other cases ("good leaver"), only unvested options will automatically lapse

In 2022, Marley Spoon's LTI program for key management personnel introduced new award levels that will evaluate targets as threshold, target or stretch, the achieving or exceeding of which will equate to a range of a 50% to 125% weighting when calculating the exercisable options. Additionally, this program enabled the introduction of a third, alternative performance metric such that the Company may consider choosing two KPIs among net revenue, contribution margin or operating EBITDA margin.

Remuneration governance
The Nominations and Remuneration Committee's (NRC) primary responsibility is to make recommendations to the Supervisory Board on or to conduct a review of the following:

- The overarching executive remuneration framework
- Operation of the incentive plans that apply to senior executives, including the key performance indicators and performance hurdles
- The performance of the CEO
- Succession planning for the Chief Executive Officer (CEO) and other members of the Management Board
- Remuneration levels of senior executives as well as cultural, diversity and inclusion practices
- Supervisory Board member renewal
- Induction and continuing professional development programs for members of the Supervisory Board
- The process for evaluating the performance of the Supervisory Board, its committees and members
- Non-executive director fees

The NRC's objectives are to ensure that remuneration policies and structures are fair, competitive, and aligned with the strategic objectives and long-term interests of the Company. The NRC charter can be found at https://ir.marleyspoon.com/investor-centre/?page=corporate-governance.

Involvement of independent advisors

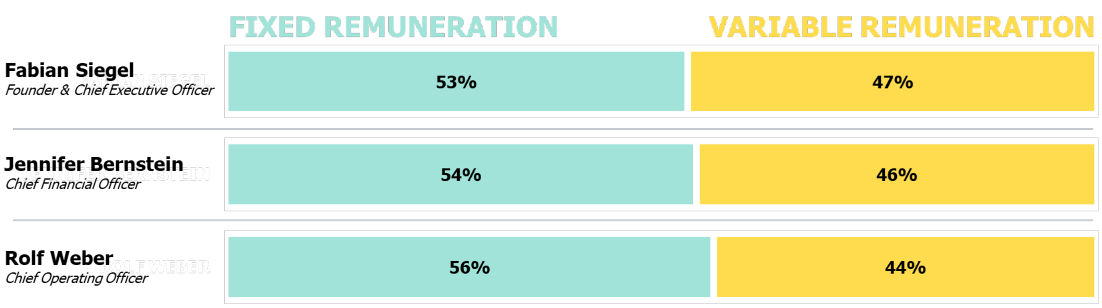
The NRC operates independently of Marley Spoon's executive Directors and engages from time to time with external remuneration advisors. The requirement to engage advisors' services is assessed annually based on remuneration matters that arise each year and their recommendations are used as a guide.

No remuneration recommendations as defined by the Corporations Act 2001 were received from remuneration advisors in 2021 or 2020. During 2022, the Supervisory Board considered Mercer industry data in evaluating KMP compensation.

Remuneration outcomes of the Management Board

Remuneration mix

Management Board remuneration is split between fixed remuneration and variable performance-based pay, including equity awards. The diagram below illustrates the remuneration mix at maximum potential for each executive. The statutory remuneration table below shows the aggregate salary of each executive and the values for equity-settled remuneration measured at grant date in accordance with IFRS 2 share-based payments and represent the current year amortization of the fair value of the rights over the vesting period.



Statutory remuneration of the Management Board

KMP Executive	2022 Fixed Remuneration	2022 Other Fixed Benefits[1]	2022 STI	2022 Equity-based LTI[2]	2022 Total Compensation	2021 Fixed Remuneration	2021 Other Fixed Benefits	2021 STI	2021 Equity-based LTI	2021 Total Compensation
Fabian Siegel	€ 480,000 (A$ 753,264)	-	-	€ 56,058 (A$ 87,971)	€ 536,058 (A$ 841,235)	€ 480,000 (A$ 749,520)	-	-	€ 238,563 (A$ 372,516)	€ 718,563 (A$ 1,122,036)
Jennifer Bernstein	€ 250,000 (A$ 392,325)	€ 43,000 (A$ 67,480)	-	€ 72,328 (A$ 72,328)	€ 365,328 (A$ 573,309)	€ 250,000 (A$ 390,375)	€ 43,000 (A$ 67,145)	-	€ 23,048 (A$ 35,989)	€ 316,048 (A$ 493,509)
Rolf Weber	€ 315,427 (A$ 495,000)	-	-	€ 72,328 (A$ 72,328)	€ 387,755 (A$ 608,504)	€ 317,003 (A$ 495,000)	-	-	€ 18,752 (A$ 29,282)	€ 335,755 (A$ 524,282)

[1] Other fixed benefits include the employer share in certain Swiss statutory social contributions and Swiss pension contributions for Ms. Bernstein.
[2] The equity-based LTI is valued at grant date (see Financial Statements note 8.2) and expensed in accordance with the award's graded vesting scheme over a four-year period.

Realized remuneration of the Management Board

The following table has been prepared to supplement the statutory requirements in the table above and serves to provide shareholders with an outline of total actual remuneration which has been received by the members of the Management Board during 2022 and 2021.

KMP Executive	2022				2021			
	Fixed Remuneration	Other Fixed Benefits	LTI value at vesting date[1]	Total Compensation	Fixed Remuneration	Other Fixed Benefits	LTI value at vesting date[1]	Total Compensation
Fabian Siegel	€ 480,000 (A$ 753,264)	- -	€ 98,858 (A$ 155,138)	€ 578,858 (A$ 908,402)	€ 480,000 (A$ 749,520)	- -	€ 98,383 (A$ 153,626)	€ 578,383 (A$ 903,146)
Jennifer Bernstein	€ 250,000 (A$ 390,325)	€ 42,173 (A$ 66,182)	€ 9,683 (A$ 15,195)	€ 301,856 (A$ 473,702)	€ 250,000 (A$ 390,375)	€ 41,554 (A$ 64,887)	€ 3,326 (A$ 5,193)	€ 294,880 (A$ 460,456)
Rolf Weber	€ 315,712 (A$ 495,447))	- -	€ 66,672 (A$ 104,628)	€ 382,384 (A$ 600,878)	€ 332,346 (A$ 518,958)	- -	€ 41,884 (A$ 65,402)	€ 374,230 (A$ 584,360)

[1] Value of LTI at vesting date is based on the market price of shares at the date that the LTIs vest, before exercise price is applied.

LTI options awarded in 2021 and 2022

Equity awards granted to all executive KMP in 2022 are subject to the achievement of the performance targets (contribution margin and Operating EBITDA margin) measured over the two-year period 2021 and 2022, as well as the continued employment of the executive.

Executive KMP	Grant Date	Equivalent Number of CDIs	Exercise Price (€)	Value (€)	Full Vesting Date
Fabian Siegel	01-Sep-22	615,342	0.14	86,148	01-Feb-26
	31-Aug-21	285,000	1.28	364,800	01-Feb-25
	03-Aug-20	700,000	1.53	1,071,000	01-Jan-24
Jennifer Bernstein	01-Mar-22	615,342	0.44	270,750	01-Mar-26
	15-Feb-21	169,829	1.82	309,089	01-Jan-25
	15-Feb-21	36,167	1.82	65,824	01-Oct-24
Rolf Weber[1]	01-Mar-22	384,143	0.44	169,023	01-Mar-26
	15-Feb-21	142,656	1.82	259,634	01-Jan-25

[1] Mr. Weber's LTI in 2021 was awarded in his capacity as the MS Australia CEO, prior to his appointment to the Management Board.

As of 31 December 2022, 1,361,842 CDIs granted to Mr. Siegel were still unvested; 793,505 CDIs granted to Ms. Bernstein were still unvested; and 512,522 CDIs granted to Mr. Weber were still unvested.

LTI outcome

Executive KMP	Grant Date	# CDIs Granted	Exercise Price (€)	Performance Test Date	Perf. Target Op. EBITDA	Perf. Target CM	Retained CDIs	Vested CDIs*
Fabian Siegel	17-May-19	53,000	0.27	31-Dec-20	Achieved	Achieved	53,000	53,000
	03-Aug-20	700,000	1.53	31-Dec-21	Achieved	Achieved	700,000	210,000
	31-Aug-21	285,000	1.28	31-Dec-22	Not Achieved	Not Achieved	-	-
Jennifer Bernstein	15-Feb-21	169,829	1.82	31-Dec-22	Not Achieved	Not Achieved	-	-
	15-Feb-21	36,167	1.82	31-Dec-22	Not Achieved	Not Achieved	-	-
Rolf Weber	04-Feb-20	246,588	0.18	31-Dec-21	Achieved	Achieved	246,588	73,976
	15-Feb-21	142,656	1.82	31-Dec-22	Not Achieved	Not Achieved	-	-

*Vesting occurs over 4 years in accordance with the vesting schedule.

Management Board contracts

Members of the Management Board have each entered into a service agreement with Marley Spoon AG under which each executive Director (*Vorstand*) is employed for approximately 3 years.

German corporate law provides that an executive Director/member of the Management Board (*Vorstand*) must be appointed for a fixed term, which may be a couple of months up to 5 years; the Company's executive Directors are appointed for 3 years. The contractual term of their service agreement, which provides for remuneration and benefits, is timed to end with their appointment, i.e., after 3 years, ensuring the long-term commitment of the executive Directors while keeping them incentivized. Technically, pursuant to German corporate law, members of the management board may resign their position at short notice before the end of the 3-year term without this affecting the validity of the service agreement. Therefore, a notice period of 3 months has been stipulated in the service agreements, providing the Company with the means to end the service agreement and the payment obligations thereunder. In certain cases, the Company may terminate the service agreement without notice.

Executive	Role	Contract Term	Notice Period by Either Party	Post-Employment Restraint
Fabian Siegel	CEO and Chairman of the Management Board	1 Jan 2021 - 31 Dec 2023	3 months	12-month non-compete restraint provision
Jennifer Bernstein	CFO and Management Board	1 Oct 2020 - 30 Sept 2023	3 months	12-month non-compete restraint provision
Rolf Weber[1]	COO and Management Board	1 Dec 2021 - 30 Nov 2024	3 months	12-month non-compete restraint provision

[1] Conditions of Mr. Weber's contract as the CEO of MS Australia, which carries a 6-month notice period and an unlimited term, remain unchanged by his appointment to the Management Board which is governed by a separate contract.

The fixed remuneration of each executive KMP is subject to an annual review by the Supervisory Board. Equity awards to Ms. Bernstein and Mr. Weber are subject to the approval of the Supervisory Board while equity awards granted to Mr. Siegel are subject to the approval of the shareholders. As at year-end 2022, none of the executive KMP received an STI.

Remuneration of the Supervisory Board

Each non-executive Director (*Aufsichtsrat*) receives fees to recognize her/his contribution to the work of the Supervisory Board and the associated committees on which she/he serves. Non-executive directors do not receive any performance-related remuneration.

Non-executive KMP fee structure & components

For the services as a member of the Supervisory Board during the financial year 2022, the compensation was as follows:

Annual Remuneration	Supervisory Board	Audit & Risk Committee	Nominations & Remuneration Committee
Base remuneration	€63,723 (A$ 100,000)		
Supervisory Board and Committee Chairs	€ 63,723 (A$ 100,000)	€ 12,745 (A$ 20,000)	€ 12,745 (A$ 20,000)

The base remuneration, paid in AUD or the equivalent in EUR, USD or any other currency, is inclusive of any applicable taxes, social contributions, superannuation, and other duties imposed on the respective member of the Supervisory Board.

Directors' fee pool

The maximum annual remuneration of non-executive Directors shall not exceed in aggregate in any financial year the amount resolved by the shareholders from time to time at the Annual General Meeting (currently EUR 500 thousand (AUD 795 thousand)). There was no change to the Directors' fee pool in 2022.

Termination payments

The non-executive Directors do not receive termination payments.

Equity based remuneration

There was no equity-based remuneration for non-executive Directors 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 AUD 1.42 per CDI and issued to the respective non-executive Director for a subscription price of EUR 1.00 and the remainder in cash: Ms. Shiff, Ms. Anderson (who departed as a non-executive KMP in August 2022), and Mr. O'Sullivan (who departed as a non-executive KMP in January 2020). Ms. Low, who was appointed a non-executive Director in January 2020, did not receive any portion of her initial term compensation in CDIs in the Company.

Non-executive KMP remuneration

For the financial year ending 31 December 2022, the cash fees (including superannuation) paid to the current members of the Supervisory Board amount to approximately EUR 345,311 (AUD 541,897) in aggregate.

	2022			2021		
Non-Executive KMP	Fee	Superannuation	Total Remuneration	Fee	Superannuation	Total Remuneration
Deena Shiff	€115,597 (A$ 181,407)	€11,848 (A$ 18,593)	€ 127,445 (A$ 200,000)	€ 59,104 (A$ 92,291)	€ 6,204 (A$ 9,688)	€ 65,308 (A$ 101,979)
Kim Anderson	€ 44,035 (A$ 69,104)	€ 4,450 (A$ 6,983)	€ 48,485 (A$ 76,087)	€ 40,980 (A$ 63,990)	€ 4,302 (A$ 6,717)	€ 45,282 ($70,707)
Robin Low	€ 69,358 (A$ 108,844)	€ 7,109 (A$ 11,156)	€76,467 (A$ 120,000)	€ 52,809 (A$ 82,461)	€ 5,543 (A$ 8,656)	€ 58,352 (A$ 91,117)
Roy Perticucci[1]	€ 63,747 (A$ 100,038)	-	€ 63,747 (A$ 100,038)	€ 46,192 (A$ 72,129)	-	€ 46,192 (A$ 72,129)
Christian Gisy	€ 29,167 (A$ 45,772)	-	€ 29,167 (A$ 45,772)			

[1] Fees paid to Mr. Perticucci in 2021 include EUR 17,689 (AUD 27,681) in fees he earned serving as an independent consultant to the Company in 2021 prior to his election to the Supervisory Board in June 2021.

Other information (movement in KMP performance shares and equity holdings)

Performance shares - holdings of executive KMP

The movement during the reporting period for the options in CDIs held by executive KMP is outlined below:

	Held at 1 January 2022	Granted during the year	Exercised during the year	Forfeited during the year	Held at 31 December 2022	Vested during the year
Fabian Siegel						
2019	53,000	-	-	-	53,000	21,200
2020	700,000	-	-	-	700,000	140,000
2021	285,000	-	-	-	285,000	28,500
2022	-	615,000	-	-	615,000	-
Total	1,038,000	615,000	-	-	1,653,000	189,700
Jennifer Bernstein						
2021	205,996	-	-	-	205,996	24,216
2022	-	384,000	-	-	384,000	-
Total	205,996	384,000	-	-	589,996	24,216
Rolf Weber						
2019	235,849	-	-	-	235,849	47,170
2020	246,588	-	-	-	246,588	49,318
2021	142,656	-	-	-	142,656	14,266
2022	-	384,000	-	-	384,000	-
Total	625,093	384,000	-	-	1,009,093	110,753

KMP holdings of equity interest in Marley Spoon AG for the year ending 31 December 2022

KMP[2]	Balance at 31 December 2021 in CDIs	Exercised in 2022	Purchased in 2022	Sold in 2022	Balance at 31 December 2022 in CDIs
Deena Shiff	137,000	-	64,930	-	201,930
Robin Low	134,000	-	189,497	-	323,497
Roy Perticucci	-	-	-	-	-
Christian Gisy	-	-	-	-	-
Fabian Siegel[1]	17,196,451	-	4,545,539	14,708	21,756,698
Jennifer Bernstein	-	-	-	-	-
Rolf Weber	746,000	-	-	-	746,000

[1] Numbers do not include CDIs held in trust to satisfy granted obligations under the Company's existing Option Rights Plan (as defined in the IPO prospectus dated 6 June 2018).

[2] Former Supervisory Board member Kim Anderson held 106,000 CDIs as of 31 December 2021.

2 Directors' Report

For the period 1 January to 31 December 2022

The executive Directors of the Management Board and the non-executive Directors of the Supervisory Board present their report together with the financial report of the Marley Spoon Group, which consists of Marley Spoon AG (Marley Spoon) and its subsidiaries, for the financial year ended 31 December 2022, and the auditor's report. The above Group Management Report and the Remuneration Report of Marley Spoon are incorporated by reference.

2.1. Directors' roles and profiles

In accordance with German law, Marley Spoon has both a Supervisory Board (*Aufsichtsrat*) and a Management Board (*Vorstand*). These boards are separate and an individual may not be a member of both. The Supervisory Board appoints the members of the Management Board and supervises the activities of the Management Board. The Management Board represents Marley Spoon and is responsible for the management of its affairs.

2.2. Supervisory Board (non-executive Directors)

Names and profiles of the people who served on the Supervisory Board during fiscal year 2022:

DEENA SHIFF

Deena Shiff was reappointed Independent Chairman of the Supervisory Board of the Company in June 2021. She is currently a non-executive Director on the board of Pro Medicus Limited and previously served on the boards of Appen Limited, Electro Optic Systems Holdings Limited and Citadel Group Limited, all ASX-listed companies. She is also on the board of Opera Australia and chairs the International Advisory Board of the Australian Research Council's Centre on Automated Decision-Making and Society. She was previously Chair of both the Australian Government's Broadband Advisory Council and the Advisory Board of the Australian Centre for China in the World. In July 2022, Deena joined the board of GAVI, the Global Alliance for Vaccines and Immunisation as an independent member. Deena was the first woman Group Managing Director at Telstra, running Telstra Wholesale and then Telstra Business. In 2011, Deena established Telstra's corporate venture capital arm, Telstra Ventures. In the 1990s, Deena was a Partner at Mallesons Stephens Jaques (now King & Wood Mallesons).

ROBIN LOW

Robin Low was reappointed to the Supervisory Board of the Company in June 2021. She is a non-executive Director of ASX listed companies Appen Limited, AUB Group Limited and IPH Limited. She is also a member of the Australian Reinsurance Pool Corporation. She also holds not-for-profit directorships at Guide Dogs NSW/ACT and the Sax Institute. Robin had an extensive career in professional services, including 28 years with PricewaterhouseCoopers where she was a partner specializing in audit and risk management. Robin is a past Deputy Chair of the Auditing and Assurance Standards Board.

CHRISTIAN GISY

Christian Gisy was appointed to the Supervisory Board of the Company in August 2022. He succeeded Roy Perticucci as Deputy Chairman of the Supervisory Board in November 2022. Previously, Christian held several positions as CEO, COO, CFO in digital and media companies such as AUTODOC, Scout24 and CinemaxX, with a proven track record in private, public and private equity backed organizations. Christian currently serves as NED and Chairman for the AtHome Group in Luxemburg, a leading classifieds business and as deputy Chairman for ADVYCE in Germany, a fast-growing strategy consulting business.

ROY PERTICUCCI

Roy Perticucci was appointed to the Supervisory Board of the Company in 2021 succeeding Christoph Schuh as the deputy Chairman. His appointment was confirmed by the Company's 2022 annual general meeting. He resigned his position as Deputy Chairman in November 2022. He has over 20 years' experience leading stationary retail and eCommerce businesses. He is currently CEO of Allegro Sp. z o.o., Europe's largest native marketplace. Roy previously held senior roles at other large retailers across Europe, including Acqua & Sapone (Bubbles Bidco), Amazon, Ahold, Dixon's and Tesco. As Development Director and later as Operations Director at Tesco.com, Roy oversaw the development of the world's largest grocery home shopping business during its period of most rapid growth and the launch of the first "dark store".

KIM ANDERSON

Kim Anderson was reappointed to the Supervisory Board of the Company in June 2021. She is a non-executive Director of ASX listed companies Carsales.com Limited, Infomedia Limited, and InvoCare Limited, and the Sax Institute. Kim has been a CEO and senior executive for more than 25 years in the media industry, including John Fairfax and Sons, Publishing and Broadcasting Limited, HarperCollins New York and the Nine Television Network, and played a key role in the establishment of online portal Ninemsn. Kim resigned from her position at Marley Spoon in August 2022.

2.3. Management Board (executive Directors)

Names and profiles of the people who served on the Management Board during fiscal year 2022:

FABIAN SIEGEL

Fabian Siegel founded Marley Spoon in May 2014 with Till Neatby and is the Chief Executive Officer (CEO) of the Company. Fabian has an entrepreneurial background, having co-founded global online restaurant food delivery service Delivery Hero in 2010 (listed on the Frankfurt Stock Exchange in June 2017). He also co-founded Germany's first online auction business (Auktionet in 1996), served as CTO in Europe's online payments services brands (ClickandBuy in 2000), co-founded a financial services startup (Strateer Inc. in 2008), and served as President & COO of a browser technology company (Klikin Inc. in 2009). Immediately prior to Marley Spoon, Fabian was a Partner at Global Founders Capital.

JENNIFER BERNSTEIN

Jennifer Bernstein was appointed to the Management Board in October 2020 and serves as Marley Spoon's Chief Financial Officer (CFO). Jennifer's responsibilities as CFO at Marley Spoon include accounting, controllership, FP&A, reporting, treasury, and legal. Previously, Jennifer spent nearly 13 years at PepsiCo where she held diverse finance and strategy leadership roles with increasing levels of responsibility. She has deep international consumer packaged goods experience, having worked in both the US and in Europe. Prior to joining PepsiCo, Jennifer co-founded Investics, a consultancy which quantified marketing effectiveness/ROI for data-rich clients. She began her career in public relations in New York.

ROLF WEBER

Rolf Weber was appointed to the Management Board in December 2021 and serves as Marley Spoon's Chief Operating Officer (COO) overseeing the Company's global operations as well as Food Safety and Quality. As CEO and co-founder of Marley Spoon Australia, Rolf is responsible for Australian business development, operations and team oversight. He brings extensive experience scaling e-commerce operations as Co-Founder and Managing Director of Brands Exclusive and has worked prior to this as a management consultant with PricewaterhouseCoopers and Sales Manager at Ikea amongst other appointments.

2.4. Supervisory Board meetings

The number of scheduled Board and Committee meetings held during the year ended 31 December 2022 and the number of meetings attended by each Director is set below:

	Supervisory Board Meetings		Audit & Risk Committee Meetings		Nomination & Remuneration Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Deena Shiff	12	12	4	4	4	4
Kim Anderson[1]	7	7	2	2	3	3
Robin Low	12	12	4	4	4	4
Roy Perticucci	12	11	4	4	4	4
Christian Gisy[2]	4	4	2	2	1	1

[1] Ms. Anderson stepped down from the Supervisory Board effective 19 August 2022.
[2] Appointed to the Supervisory Board and as Chair of the Nominations and Remuneration Committee effective 19 August 2022.

2.5. Operating & financial summary

Please see details of the operational performance of the entity in section 2.3 of the Management Report.

2.6. Significant changes in the state of affairs

Please see details of the changes in the entity's state of affairs in 2022 in section 2.3 of the Management Report.

2.7. Principal activities

Marley Spoon is a subscription-based weekly meal kit provider that services customers in three primary regions: the United States, Australia and Europe (servicing Austria, Belgium, Denmark, Germany, the Netherlands and Sweden). A meal kit is a box, usually sent directly to a customer's home, which includes the required quantity of ingredients to cook, typically two or more meals, along with step-by-step recipe instructions.

No significant change in the nature of these activities occurred during the year.

2.8. Events after the balance sheet date

Please see details in note 19 of the financial statements.

2.9. Environmental issues

The Company places high importance on fostering a compliance culture, supported by systems and processes in order to be compliant with all relevant national and local laws as well as regulations in relation to environmental performance, management and reporting. In 2022, there were no reportable incidents recorded.

2.10. Dividends

Marley Spoon did not pay dividends in 2022.

2.11. Share options

The Company has set up a share option plan for employees and members of the Management Board. Please see note 8.2 to the Consolidated Financial Statements for details.

2.12. Indemnifying office or auditor

During the financial year 2022, Marley Spoon has paid insurance premiums in respect of directors' and officers' liability insurance contracts (D&O). The D&O insures each person who is or has been a director or officer of the Company or its subsidiaries against certain liabilities arising in the course of their duties to the Company and its subsidiaries.

2.13. Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. Marley Spoon Group was not party to any such proceedings during the year.

Berlin, 27 February 2023

For the Supervisory Board: Deena Shiff

For the Management Board: Fabian Siegel

3 Shareholder Information

Shareholder information required by the Australian Securities Exchange Limited (ASX) Listing Rules and not disclosed elsewhere in this document is set out below.

The share capital of the Company is divided into 39,335,973 no-par-value shares (shares without nominal value). As at 31 December 2022, 10 CHESS Depositary Interests (CDIs) equates to 1 share in the Company. As at the date of this Report, 393,359,730 CDIs are issued which represent all 39,335,973 shares in the Company.

The following information is provided on a consolidated basis:

3.1. Link to Marley Spoon's Corporate Governance Statement

In accordance with the 4th edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (Governance Principles), the 2022 Corporate Governance Statement, as approved by the Supervisory Board, is published separately from this report and is available on the Company's website at: https://ir.marleyspoon.com/investor-centre/. The Corporate Governance Statement evaluates the extent to which Marley Spoon has followed the Governance Principles during the 2022 financial year.

3.2. Substantial shareholders

The number of securities held by substantial beneficial shareholders at 31 December 2022 is set out below:

Shareholder	CDIs	% IC
Conifer Capital Mgt (New York)	85,924,464	21.8
Union Square Ventures (New York)	70,654,461	18.0
Perennial Value Mgt (Sydney)	48,236,947	12.3
Other security holders (under 10%)	188,543,858	47.9

3.3. Number of security holders and securities on issue

Marley Spoon has issued the following securities:

(a) 39,335,973 no-par-value shares (shares without nominal value) held by 1 shareholder (Chess Depositary Nominees Pty Ltd.; "CDN");

(b) 393,359,730 CDIs held by 4,838 CDI holders (as of 31 December 2022) representing 39,335,973 shares of (a);

(c) 1,301,599 employee share options held by 707 option holders

3.4. Voting rights

Shares

The voting rights attached to shares are one vote per share, which can be exercised in person or by proxy at the Company's general meeting following registration with the Company and presentation of proof of ownership / representation right of the respective shares.

CDIs

CDI holders may attend and vote at the Company's general meeting by doing any of the following:

- Instructing CDN to vote the shares underlying the CDIs in a particular manner;
- Informing CDN that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their shares underlying the CDIs for the purpose of attending and voting at the general meeting; or
- Converting their CDIs into shares and voting these at the general meeting. CDI holders will be entitled to one vote for every 10 CDIs they hold.

Options

Option holders do not have any voting rights on the options held by them.

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3.5. Distribution of security holders

	CDIs (as at 31 December 2022)			
Range	Securities	%	No. of holders	%
100,001 and over	363,488,876	92.41	118	2.44
10,001 to 100,000	20,385,782	5.18	649	13.41
5,001 to 10,000	4,255,238	1.08	556	11.49
1,001 to 5,000	4,282,687	1.09	1,620	33.48
1 to 1,000	947,147	0.24	1,895	39.17
Total	**393,359,730**	**100.00**	**4,838**	**100.00**

3.6. Unmarketable parcel of shares

The number of CDI holders holding less than a marketable parcel of securities is 3,190 (as of 31 December 2022).

3.7. Twenty largest shareholders

Details of the 20 largest direct CDI holders by registered shareholding are as follows:

Rank	Name	31-Dec-22	% IC
1	HSBC Custody Nominees (Australia) Limited	108,891,484	27.7%
2	Merrill Lynch (Australia) Nominees Pty Limited	71,164,461	18.1%
3	National Nominees Limited	37,409,268	9.5%
4	J P Morgan Nominees Australia Pty Limited	21,971,044	5.6%
5	Akw Capital Gmbh	20,951,990	5.3%
6	Citicorp Nominees Pty Limited	20,861,450	5.3%
7	468 Capital Ii Gmbh & Co Kg	19,628,641	5%
8	Lakestar I	9,008,000	2.3%
9	Qd Investments Ltd	7,455,000	1.9%
10	Mexattax Gmbh	2,566,000	0.7%
11	Mr Perry Julian Rosenzweig	2,183,509	0.6%
12	Mr Kenneth Joseph Hall (HALL PARK A/C)	2,150,000	0.5%
13	Beach Haus Pty Ltd (Rolf Weber A/C)	1,872,463	0.5%
14	Marley Spoon Employee Trust Ug	1,802,557	0.5%
15	Pither Investments Pty Ltd (PITHER INVESTMENTS A/C)	1,570,239	0.4%
16	Mr Timothy Harry Knapton	1,457,930	0.4%
17	MMM Directors' Holdings (Balance & Assoc A/cs)	1,300,719	0.3%
18	Hainason Holdings Pty Ltd (HAINASON HOLDINGS A/C)	1,298,665	0.3%
19	BNP Paribas Nominees Pty Ltd Acf Clearstream	1,293,719	0.3%
20	BNP Paribas Nominees Pty Ltd (GLOBAL MARKETS DRP)	1,234,421	0.3%
	Total	336,071,560	85.4%
	Grand total	393,359,730	100%

3.8. Name of the entity's secretary

Dr. Mathias Hansen (General Counsel) has been appointed to act in a company secretarial role.

3.9. Address and telephone number of the company's registered office in Australia; and of its principle administrative office, if both are different

The Company's registered office and principal place of business is: Paul-Lincke-Ufer 39/40, 10999 Berlin, Germany (P: +491716115916). The Australian office is located at c/o Marley Spoon Pty Ltd (AU), Suite 2.03, Building 2, Sydney Corporate Park, 190 Bourke Road, Alexandria NSW 2015 (P: +612 6145 2910).

3.10. Address and telephone number of each office at which a register of securities, register of depositary receipts or other facilities for registration of transfers is kept

Link Market Services, Locked Bag A14, Sydney South NSW 1235, P: +61 1300 554 474 (toll free within Australia).

3.11. A list of other stock exchanges on which any of the company's securities are quoted

Marley Spoon's securities are not listed on any other stock exchange.

3.12. The number and class of restricted securities or securities subject to voluntary escrow that are on issue and the date the escrow period ends

There are no restricted securities or securities in escrow as of period end.

3.13. Unquoted securities

Shares

None

Warrants

None

Options

1,244,555 employee share options held by 707 option holders;

3.14. On market buy-back

There is no current on market buy-back.

3.15. Statement regarding use of cash assets

During the period between 1 January 2022 and 31 December 2022, the Company used its cash and assets readily convertible to cash in a way consistent with its business objectives set out in the 2021 Annual Report dated 24 February 2022, in public disclosures made during the reporting period, and in this annual report.

3.16. The following is a summary of any issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act which have not yet been completed.

N/A

3.17. If during the reporting period any securities were purchased on-market:

N/A

3.18. Other

In accordance with the ASX decision confirming Marley Spoon's admission to the ASX, Marley Spoon provides the following information:

- names of all substantial holders in the Company: see Sec. 3.2 above;
- the place of the Company's incorporation is Berlin, Germany;
- the Company is not subject to chapters 6, 6A, 6B and 6C of the Corporations Act 2001 (Cth) dealing with the acquisition of its shares (including substantial holdings and takeovers);
- there are no limitations on the acquisition of securities imposed by the jurisdiction in which the Company is incorporated or registered;
- there are no limitations on the acquisition of securities imposed under the Company's constitution

GROUP CONSOLIDATED FINANCIAL STATEMENTS

1 Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR in thousands	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant, and equipment	7.1	25,152	24,169
Right-of-use assets	7.2	22,206	24,512
Lease receivables	7.2	420	581
Intangible assets	7.3	16,385	8,796
Goodwill	17	9,016	-
Non-current financial assets	6.4	2,510	2,338
Total non-current assets		**75,689**	**60,396**
Current assets			
Inventories	7.5	13,124	9,384
Trade receivables	6.5	774	446
Other current financial assets	7.7	3,233	3,705
Cash and cash equivalents	6.6	19,033	38,659
Total current assets		**36,164**	**52,194**
Total assets		**111,853**	**112,590**
LIABILITIES AND EQUITY			
Lease liabilities	7.2	16,967	19,456
Interest bearing loans and borrowings – non-current	6.7	70,771	49,168
Non-current provisions	7.1/16	2,259	988
Deferred tax liabilities	16	1,781	-
Total non-current liabilities		**91,778**	**69,612**
Current liabilities			
Trade and other payables	6.8	26,405	27,574
Derivative financial instruments	6.2	-	70
Contract liabilities	7.8	1,876	3,610
Interest bearing loans and borrowings - current	6.7	7,831	7,349
Lease liabilities – current	7.2	8,703	7,666
Other financial liabilities	6.9	14,801	11,424
Other non-financial liabilities	7.8	3,566	2,848
Total current liabilities		**63,182**	**60,541**
Equity			
Share capital	8.1	39,336	284
Treasury stock	8.1	-	(1)
Capital reserve	8.1	226,462	250,268
Other reserves	8.2	8,516	7,507
Currency translation reserve	8.3	(3,425)	(1,637)
Accumulated net earnings (losses)		(312,422)	(272,692)
Equity attributable to equity holders of the parent		**(41,533)**	**(16,271)**
Non-controlling interests		(1,574)	(1,292)
Total equity		**(43,107)**	**(17,563)**
Total liabilities and equity		**111,853**	**112,590**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in thousands	Note	2022	2021
Revenue	3	401,242	322,393
Cost of goods sold	4.1	(216,835)	(173,301)
Gross profit		**184,407**	**149,092**
Fulfilment expenses	4.1	(69,075)	(57,307)
Marketing expenses	4.1	(64,018)	(71,236)
General & administrative expenses	4.1	(78,962)	(63,964)
Earnings before interest & taxes (EBIT)		**(27,648)**	**(43,415)**
Financing income	4.2	69	2,828
Financing expenses	4.2	(12,284)	(6,000)
Derivative instruments	4.2	(7)	146
Earnings before taxes (EBT)		**(39,869)**	**(46,441)**
Income tax expenses	5	(144)	(127)
Loss for the year		**(40,013)**	**(46,568)**
Net income / (loss) for the year attributed to:			
Equity holders of the parent		(39,730)	(46,207)
Non-controlling interest		(283)	(361)
Other comprehensive income / (loss) for the year **Items that may be subsequently reclassified to profit or loss**	8.3	**(1,788)**	**(1,087)**
Foreign exchange effects		(1,788)	(1,087)
Total comprehensive income / (loss) for the year		**(41,801)**	**(47,655)**
Total comprehensive income attributable to:			
Equity holders of the parent		(41,518)	(47,294)
Non-controlling interests		(283)	(361)
Basic earnings per share (whole EUR)	14	(1.33)	(173.62)
Diluted earnings per share (whole EUR)	14	(1.32)	(167.63)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2022

EUR in thousands	Note	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserve	Total	Attributable NCI	Equity
	Attributable to Owners of the Parent									
Balance as at 1 January 2022		**284**	**(1)**	**250,268**	**7,507**	**(272,692)**	**(1,637)**	**(16,271)**	**(1,292)**	**(17,563)**
Net income / (loss) for the period		-	-	-	-	(39,730)		(39,730)	(283)	(40,013)
Other comprehensive income(loss)		-	-	-	-	-	(1,788)	(1,788)		(1,788)
Total comprehensive income		**284**	**(1)**	**250,268**	**7,507**	**(312,422)**	**(3,425)**	**(57,788)**	**(1,574)**	**(59,362)**
Issuance of share capital	8.1	10,148	-	5,721	-	-	-	15,869	-	15,869
Conversion of free capital	8.1	28,904	-	(28,904)	-	-	-	-		-
Receipt of shares for employee option exercise	8.1	-	(1)	1	-	-	-	-	-	-
Shares transferred to employees	8.1	-	2	(2)	-	-	-	-	-	-
Cash on exercise of options	8.1	-	-	(9)	-			(9)	-	(9)
Employee share-based payment expense	8.2	-	-	-	1,009	-	-	1,009	-	1,009
Transaction costs for issuance of shares	8.1	-	-	(613)	-	-	-	(613)	-	(613)
Balance as at 31 December 2022		**39,336**	**-**	**226,462**	**8,516**	**(312,422)**	**(3,425)**	**(41,533)**	**(1,574)**	**(43,107)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2021

EUR in thousands	Note	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserve	Total	Attributable NCI	Equity
	Attributable to Owners of the Parent									
Balance as at 1 January 2021		**256**	**-**	**229,671**	**6,166**	**(226,485)**	**(550)**	**9,058**	**(931)**	**8,127**
Net income / (loss) for the period		-	-	-	-	(46,207)	-	(46,207)	(361)	(46,568)
Other comprehensive income (loss)		-	-	-	-	-	(1,087)	(1,087)	-	(1,087)
Total comprehensive income		**256**	**-**	**229,671**	**6,166**	**(272,692)**	**(1,637)**	**(38,236)**	**(1,292)**	**(39,527)**
Conversion of bonds	8.1	28	-	20,455	-	-	-	20,483	-	20,483
Receipt of shares for employee option exercise	8.1	-	(6)	6	-	-	-	-	-	-
Shares transferred to employees	8.1	-	5	(5)	-	-	-	-	-	-
Cash on exercise of options	8.1	-	-	212	-	-	-	212	-	212
Employee share-based payment expense	8.2	-	-	-	1,341	-	-	1,341	-	1,341
Transaction costs for issuance of shares		-	-	(70)	-	-	-	(70)	-	(70)
Balance as at 31 December 2021		**284**	**(1)**	**250,268**	**7,507**	**(272,692)**	**(1,637)**	**(16,271)**	**(1,292)**	**(17,563)**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR in thousands	Note	2022	2021
Operating activities			
Net income for the period (loss)		**(40,013)**	**(46,568)**
Adjustments for:			
Depreciation of property, plant, and equipment	7.1	4,326	2,312
Loss on disposals of property, plant and equipment	7.1	481	926
Gain on contract extinguishment	4.2	-	(2,562)
Bad debt expense		564	-
Gain on finance lease receivables	7.2	-	(133)
Depreciation of right-of-use assets	7.2	6,239	4,879
Amortization of intangible assets	7.3	5,541	1,968
Increase (decrease) in share-based payments	8.2	1,009	1,341
Financing income and expense	4.2	11,868	5,466
Tax expense (non-cash)	5	(5)	15
Other non-cash movements		(2,120)	1,101
Working capital adjustments:			
Decrease (increase) in inventory	7.5	(3,741)	(2,814)
Increase (decrease) in accounts payable and accrued expenses	6.8/6.9	(1,353)	13,535
Decrease (increase) receivables	6.5	(953)	(869)
Increase (decrease) in other assets and liabilities	6.4/7.7/7.8	(569)	6,476
Net cash flows from operating activities		**(18,726)**	**(14,927)**
Investing activities			
Purchase of property, plant, and equipment	7.1	(3,700)	(15,708)
Purchase/development of intangible assets	7.3	(7,009)	(5,822)
Acquisition of Chefgood, net of cash acquired	16	(7,783)	-
Net cash flows used in investing activities		**(18,492)**	**(21,530)**
Financing activities			
Proceeds from the issuance of share capital	8.1	15,869	-
Proceeds from employee option exercise	8.1	(10)	212
Transaction costs from the issuance of share capital	8.1	(613)	(75)
Proceeds from borrowings	6.7	26,532	54,603
Transaction cost of borrowings	6.7	(199)	(1,313)
Interest paid	6.7	(7,542)	(1,679)
Repayment of borrowings	6.7	(7,763)	(3,714)
Lease payments	7.2	(8,686)	(6,441)
Net cash flows from/ (used in) financing activities		**17,588**	**41,593**
Net increase (decrease) in cash and cash equivalents		(19,629)	5,136
Net foreign exchange difference		3	(915)
Cash and cash equivalents as at 1 January		**38,659**	**34,438**
Cash and cash equivalents as at 31 December		**19,033**	**38,659**

2 Description of the business & segment information

The financial statements are for the Group consisting of Marley Spoon AG and its subsidiaries (hereafter "the Group"). The Group's principal business activity is to solve every day recurring problems in delightful and sustainable ways by creating and delivering directly to customers original recipes along with the necessary fresh, high-quality, seasonal ingredients for them to prepare, cook, and enjoy, or in the case of Chefgood, ready-to-heat meals to prepare. Customers can choose which recipes they would like to receive in a given week, and receive the pre-portioned ingredients delivered to their doorstep by third-party logistics partners.

The Company is registered in the commercial register of Charlottenburg (Berlin) under HR 195994. It is domiciled in Germany and has its registered office at Paul-Lincke-Ufer 39/40, 10999 Berlin, Germany.

Marley Spoon's activities are conducted, and meal kits sold to consumers in three operating segments, the United States of America (US), Australia (AU) which includes the operations of Marley Spoon and Chefgood in Australia, and Europe (EU), which is comprised of six countries (Austria, Belgium, Denmark, Germany, the Netherlands, and Sweden) and includes the Group's global headquarters in Berlin. An additional legal entity is established in Portugal for Marley Spoon's customer care operations and in the United Kingdom for certain Marley Spoon staff, both of which are included within the EU segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments and has been defined as the Company's Management Board comprised of the Global Chief Executive Officer (CEO), Global Chief Operating Officer (COO) and Chief Financial Officer (CFO).

Segment results that are reported include items directly attributable to a segment as well as those that can be reasonably allocated.

The accounting policies of the operating segments are the same as those described in note 18 ("Summary of significant accounting policies"). The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties where the arm's length principle applies. The Group does not separate operating segments based on the type of products, since the nature of the product, production processes and the method used for distribution are similar across all product ranges.

Segment reporting

The reported operating segments are strategic business units that are managed separately and for which the operating results are monitored by the CODM, as noted above. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The "Holdings" column represents royalty charges paid to the Group and interest income on loans with subsidiaries. The Group consolidation ("Conso" column) eliminates intercompany transactions.

Operating EBITDA, a measure of segment performance, excludes the effects of special items such as equity-settled share-based payments, 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 or severance payments.

				2022			
EUR in thousands	**USA**	**Australia**	**Europe**	**Total**	**Holdings**	**Conso**	**Group**
Total revenue	197,436	154,264	49,542	401,242	29,542	(29,542)	401,242
Internal revenue	-	-	-	-	(29,542)	29,542	-
External revenue	197,436	154,264	49,542	401,242	-	-	401,242
Contribution margin [1]	57,824	47,770	9,738	115,332	29,542	(29,542)	115,332
Operating EBITDA	**11,852**	**8,775**	**(29,451)**	**(8,825)**	**-**	**-**	**(8,825)**
Internal charges & royalties	(11,823)	(8,632)	(1,407)	(21,863)	-	21,863	-
Special items[2]	(2,400)	884	(1,202)	(2,718)	-	-	(2,718)
Depreciation and amortization	(6,215)	(4,259)	(5,632)	(16,106)	-	-	(16,106)
EBIT	**(8,587)**	**(3,232)**	**(37,692)**	**(49,512)**		**21,863**	**(27,649)**

Intercompany interest	(3,051)	(2,315)	(2,313)	(7,679)	-	7,679	-
Interest on lease liabilities	(1,946)	(708)	(401)	(3,055)	-	-	(3,055)
External financing costs	(6,794)	(172)	(2,193)	(9,159)	-	-	(9,159)
Fair value changes Derivative financial instruments	-	(7)		(7)	-		(7)
Earnings before tax	**(20,378)**	**(6,434)**	**(42,600)**	**(69,411)**	**-**	**29,542**	**(39,869)**

				2021			
EUR in thousands	**USA**	**Australia**	**Europe**	**Total**	**Holdings**	**Conso**	**Group**
Total revenue	149,421	117,756	55,216	322,393	25,350	(25,350)	322,393
Internal revenue	-	-	-	-	25,350	(25,350)	-
External revenue	149,421	117,756	55,216	322,393	-	-	322,393
Contribution margin [1]	39,363	39,964	12,458	91,785	25,350	(25,350)	91,785
Operating EBITDA	**(9,760)**	**709**	**(23,528)**	**(32,579)**	**-**	**-**	**(32,579)**
Internal charges & royalty	(8,842)	(6,946)	(3,510)	(19,298)	-	19,298	-
Special items[2]	-	(184)	(1,564)	(1,748)	-	-	(1,748)
Depreciation and amortization	(3,974)	(2,013)	(3,101)	(9,088)	-	-	(9,088)
EBIT	**(22,576)**	**(8,434)**	**(12,406)**	**(62,713)**		**19,298**	**(43,415)**
Intercompany interest	(3,306)	(1,211)	(1,536)	(6,053)	-	6,053	-
Interest on lease liabilities	(1,728)	(450)	(369)	(2,547)	-	-	(2,547)
External financing costs	(1,694)	(542)	(1,364)	(3,600)	-	-	(3,600)
Gain on contract extinguishment	-	2,562	-	2,562	-	-	2,562
Fair value changes derivative financial instruments	-	125	-	125	434	-	559
Earnings before tax	**(29,304)**	**(7,950)**	**(9,188)**	**(72,226)**	**434**	**25,350**	**(46,441)**

[1] Contribution margin consists of revenue from external customers less cost of goods sold and fulfillment expenses.

[2] Special items consist of the following: employee stock option program costs of EUR 1,009 thousand including exercise expenses (2021: EUR 1,341 thousand of program costs and EUR 85 of exercise costs), expenses incurred in connection with M&A transactions in the amount of EUR (890) thousand (2021: EUR 322 thousand), severance expense of EUR 761 thousand (2021: 0), as well as one-time sales tax charges in the US of EUR 1,838 thousand (2021: 0).

The 2022 revenues generated within Germany amounted to EUR 22,026 thousand (2021: EUR 23,045 thousand). Revenues from 2022 for all other countries amounted to EUR 379,216 thousand (2021: EUR 299,347 thousand). The Group recognizes its segments based on geographical region. The United States of America and Australia (inclusive of operations of both Marley Spoon brands and Chefgood) represent the largest markets and are separately segmented. Revenues in the Netherlands, Belgium, Denmark, Sweden, Austria, and Germany are segmented as Europe.

The Group has intercompany transactions that cross continents relating to intercompany financing transactions between the parent and the subsidiaries, the associated interest, royalty charges, and group-performed low value-added services. The royalty and interest charges are based on independent benchmark studies.

3 Revenue

Marley Spoon provides meal kit solutions on a weekly basis to customers across eight countries. The Company's business model differs from the conventional grocery supply chain by eliminating the need for intermediaries, such as wholesalers or distributors, and connecting products directly with the customer. Ingredients can be purchased just-in-time, are packed in temperature conditioned fulfillment centers and are delivered from there to the customer with insulated packaging and/or chilled transportation.

External revenue includes income from the core activities of the Group, which are sales of meal kits to customers. Internal revenue results from intercompany recharges of goods or services between Group companies. No single customer accounts for more than 10% of external revenue. The Group complies with IFRS 15 requirements to disaggregate revenue from contracts with customers by geographical region (refer to note 2).

4 Other income and expense items

This note provides a disaggregation of the items included in financing income and financing expense in the Statement of Comprehensive Income and an analysis of operating expenses by nature. Information about specific profit and loss items (such as gains and losses in relation to financial instruments) is disclosed in the related balance sheet notes.

4.1 Breakdown of expenses by nature

	2022			
EUR in thousands	**Cost of Goods Sold**	**Fulfilment Expense**	**Marketing Expense**	**General & Administrative**
Raw materials and direct fulfillment costs	171,988	69,075	-	-
Other operating expense			58,720	26,028
Depreciation and amortization	8,959	-	-	7,147
Employee benefits expenses				
Wages and salaries	34,049	-	4,749	40,138
Social security costs	746	-	393	3,322
Defined contribution plan expenses	1,094	-	156	1,318
Share-based payment expense	-	-	-	1,009
Total	**216,835**	**69,075**	**64,018**	**78,962**

	2021			
EUR in thousands	**Cost of Goods Sold**	**Fulfilment Expense**	**Marketing Expense**	**General & Administrative**
Raw materials and direct fulfillment costs	136,979	57,307	-	-
Other operating expense			65,065	25,246
Depreciation and amortization	5,893	-	-	3,195
Employee benefits expenses				
Wages and salaries	28,868	-	5,493	30,425
Social security costs	439	-	505	2,799
Defined contribution plan expenses	1,122	-	173	958
Share-based payment expense	-	-	-	1,341
Total	**173,301**	**57,307**	**71,236**	**63,964**

4.2 Financing income and expenses

Financing income and expenses are those associated with the interest paid on borrowings, derivative financial instruments and the adjustments for loans which are valued at amortized costs. The Group measures financial instruments such as derivatives, at fair value at each balance sheet date. The changes in the fair value of the derivative instruments are recognized in the Group's earnings before tax.

EUR in thousands	**2022**	**2021**
Interest earned on bank balances	69	88
Currency translation gains	-	178
Contract extinguishment	-	2,562
Financing income	**69**	**2,828**

EUR in thousands	**2022**	**2021**
Bank fees & other expenses	(225)	(247)
Nominal interest expense on borrowings	(8,823)	(3,104)
Interest on lease liabilities	(3,054)	(2,552)
Currency translation losses	(182)	-

Effects of effective interest method on borrowings	-	(97)
Financing expense	**(12,284)**	**(6,000)**

EUR in thousands	2022	2021
Derivative financial instrument changes in fair value	(7)	146
Derivative instruments	**(7)**	**146**

5 Income tax expense

This note provides an analysis of the Group's income tax expense, deferred tax position and how the tax expense is affected by non-assessable, non-deductible items. It also explains significant estimates made in relation to the Group's tax position and effective tax rate.

EUR in thousands	2022	2021
Current tax expense	(144)	(127)
Deferred tax	-	-

EUR in thousands	2022	2021
EBT	(39,871)	(46,441)
Tax calculation at domestic tax rates applicable to results in the respective jurisdiction	9,725	11,056
Tax impact of non-deductible expenses		
Share-based payment expense	282	403
Fair value adjustments derivatives	8	8
Other	67	67
Taxes for prior years	(32)	(81)
Unrecognized tax losses for the year	9,256	10,532
Income tax benefit (expense) for the year	**(144)**	**(127)**
Effective tax rate	**-%**	**-%**

The weighted average applicable tax rate for the year ended 31 December 2022 was 24.4% (2021: 23.8%) which was derived from the tax rate in each jurisdiction weighted by the relevant pre-tax loss.

6 Financial assets and financial liabilities

This note provides information about the Group's financial instruments, including:

- an overview of all financial instruments held, including specific information about each type of instrument
- related accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

6.1 Financial assets and financial liabilities

The Group holds the following financial instruments:

Financial assets (EUR in thousands)	Notes	31 December 2022	31 December 2021
Financial assets measured at amortized cost			
Non-current financial assets	6.4	2,510	2,338
Trade and other receivables	6.5	774	446
Total		**3,284**	**2,784**

Financial liabilities (EUR in thousands)	Notes	31 December 2022	31 December 2021
Financial liabilities measured at amortized cost			
Interest bearing loans and borrowings (current & non-current)	6.7	78,602	56,517
Trade and other payables	6.8	26,405	27,574
Other financial liabilities	6.9	14,801	11,424
		119,808	**95,515**

Financial liabilities measured at fair value			
Derivative financial instruments	6.2	-	70
Total		**119,808**	**95,585**

In accordance with IFRS 7.20 (a), net gains and losses of financial instruments are to be disclosed for each measurement category in line with IFRS 9. The net results of the individual measurement categories pursuant to IFRS 9 are as follows:

Financial assets and liabilities (EUR in thousands)	31 December 2022	31 December 2021
Financial assets measured at amortized cost	69	88
Financial liabilities measured at amortized cost	(12,284)	(3,260)
Financial liabilities measured at fair value through profit and loss	(7)	146
Total	**(12,222)**	**(3,026)**

6.2 Derivative financial instruments

The derivative financial instruments break down as follows:

EUR in thousands	31 December 2022	31 December 2021
Forward derivatives	-	70
Derivative financial instruments – current	-	70
Balance as at 31 December	**-**	**70**

Forward derivative

The derivative financial instruments include a forward exchange contract, and the fair value is defined by the current exchange rate and the contractual terms (level 2).

6.3 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) in the principal market for the asset or liability or
(b) in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their own economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

EUR in thousands	Note		31 December 2022		31 December 2021	
Financial assets		**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Other non-current financial assets	6.4	n/a	2,510	2,510	2,338	2,338
Trade and other receivables	6.5	n/a	774	774	446	446
Cash and cash equivalents	6.6	n/a	19,033	19,033	38,659	38,659
Total			**22,317**	**22,317**	**41,443**	**41,443**
Financial liabilities		**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Interest bearing loans and borrowings (current & non-current)	6.7	n/a	78,602	78,602	56,516	56,516
Trade and other payables	6.8	n/a	26,405	26,405	27,574	27,574
Forward	6.2	2	-	-	70	70
Contingent liability	16	3	4,449	4,449	-	-
Other financial liabilities	6.9	n/a	14,801	14,801	11,424	11,424
Total			**124,257**	**124,257**	**95,585**	**95,585**

For liquid assets, other short-term financial instruments and other non-current financial assets, the fair values equal approximately their carrying amounts at closing date. The Group measures derivatives at fair value at each balance sheet date.

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values including the profit and loss impact. As shown in the table below, no convertible options remain as at 31 December 2021. Further details of the contingent liability arising from the acquisition of Chefgood are included in note 16.

EUR in thousands	2021
	Convertible Options
Balance as at 1 January	**(3,479)**
Additions	-
Gains / (losses) included in profit & loss	
Net change in the fair value	415
Transfers	3,064
Balance as at 31 December	**-**

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2022 are shown below. Note, there were no assets or liabilities categorized within Level 3 as of 31 December 2021.

	Valuation technique	Significant unobservable inputs	Sensitivity to the inputs of fair value
Contingent consideration liability	DCF method	Assumed probability-adjusted revenues of Chefgood Pty	10% decrease in the assumed probability-adjusted revenues of Chefgood Pty results in a decrease in fair value of the contingent consideration liability by EUR 358 thousand. 5% increase in the assumed probability-adjusted revenues of Chefgood Pty results in an increase in fair value of the contingent consideration liability by EUR 123 thousand.
		Discount rate	2 percentage point increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by EUR 52 thousand.

6.4 Non-current financial assets

Other non-current financial assets are mainly security deposits for leased properties and bank guarantees. These deposits, subject to contractual restrictions and therefore not available for general use by the Group, increased by EUR 172 thousand in the current year.

EUR in thousands	31 December 2022	31 December 2021
Other non-current financial assets	2,510	2,338

6.5 Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. The Group's trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The Group's impairment policy for trade and other receivables is outlined in note 18.16.

EUR in thousands	31 December 2022	31 December 2021
Trade receivables	774	446

The Group has EUR 34 thousand receivables against related parties. The Group has recorded an allowance for uncollectible amounts collected by payment service providers (PSPs) when billing is done after delivery, however the vast majority of our customers are charged prior to delivery of the product, rendering the collectability risk minimal. For amounts not collected by PSPs we refer to note 10.2.

6.6 Cash and cash equivalents

Cash and cash equivalents are comprised as follows:

EUR in thousands	31 December 2022	31 December 2021
Cash at banks	19,033	38,659

The above figures reconcile to the amount of cash shown in the Statement of Cash Flows at the end of the financial year.

6.7 Interest bearing loans and borrowings

The following table shows a reconciliation from the opening balances to the closing balances for loans and borrowings:

EUR in thousands	Opening Balance 1 January 2022	Proceeds from borrowings	Repayments of borrowings	Interest paid	Accrued interest and fees	Transaction costs (net)	Exchange rate differences	Closing Balance 31 December 2022
BVB	5,196	5,000	(5,000)	(491)	299	-	-	**5,004**
AU asset financing	5,303	-	(1,778)	(167)	167	-	26	**3,551**
Loan 4 [1]	69	-	(51)	-	3	-	-	**21**
Insurance financing	-	1,412	(934)	(160)	167	-	(206)	**279**
Runway	45,949	19,255	-	(6,724)	7,804	245	2,353	**68,882**
CG equipment loan	-	865	-	-	-	-	-	**865**
Total	**56,517**	**26,532**	**(7,763)**	**(7,542)**	**8,440**	**245**	**2,173**	**78,602**

EUR in thousands	Opening Balance 1 January 2021	Proceeds from borrowings	Repayments of borrowings	Conversion of bonds	Accrued interest and fees	Effects of effective interest method on borrowings	Transaction costs (net)	Exchange rate differences	Closing Balance 31 December 2021
BVB	2,500	5,000	(2,500)	-	196	-	-	-	**5,196**
WOW I	14,030	-	-	(14,769)	656	83	-	-	**-**
WOW II	2,512	-	-	(2,650)	125	13	-	-	**-**
AU asset financing	2,017	4,312	(1,158)	-	-	-	-	132	**5,303**
Loan 4 [1]	98	-	(56)	-	27	-	-	-	**69**
Runway	-	45,291	-	-	367	-	(1,313)	1,604	**45,949**
Total	**21,157**	**54,603**	**(3,714)**	**(17,419)**	**1,371**	**96**	**(1,313)**	**1,736**	**56,516**

[1] Loan 4 is associated with the financing of intangible assets by GEFA. Total contract duration is three years, and the loan remains outstanding at 31 December 2022 with the remaining balance to be paid in 2023.

Cash paid for interest expense in 2022 was EUR 7,542 thousand. The Group's total borrowing of EUR 78,602 thousand (2021: EUR 56,516 thousand) is comprised of the following arrangements:

Berliner Volksbank (BVB)

In December 2018, the Company entered into and fully drew down an unsecured loan in the amount of EUR 2,500 thousand from Berliner Volksbank (BVB) which was repaid in Q1 2021. The Company signed a new unsecured revolving credit facility with BVB in March 2021 for a total amount of EUR 5,000 thousand and an unlimited term. This credit line is fully used by a drawdown of a 12-month EUR 5,000 thousand loan, bearing 5% interest which matured in March 2022.

In March 2022, the Company repaid the outstanding aggregate short-term loan balance of EUR 5,000 thousand due to BVB by drawing a EUR 5,000 thousand account overdraft facility with BVB which carried an interest rate of 5.5% per annum. The Company then repaid the EUR 5,000 thousand account overdraft facility with a new EUR 5,000 thousand loan from BVB, drawn down in May 2022. This EUR 5,000 thousand money market loan carries an interest rate of 6.5% + EURIBOR per annum, has been drawn down for 90 days and renews in 90-day increments until repayment, which was expected in January 2023. The loan was subsequently extended until the end of February 2023 and has now been renewed (see details in note 19 to the financial statements).

AU asset financing

Effective as of 14 November 2019, Marley Spoon Pty Ltd., the Australian operating entity of the Group, as borrower entered into an asset financing agreement (AFA) with National Australia Bank (NAB) as lender in the aggregate amount of up to AUD 3,000 thousand. Funds borrowed under the AFA are to be used to finance certain production equipment which is pledged to NAB as security. AUD 2,500 thousand were paid out in November 2019 at an interest rate of 4.15% p.a. This facility has a 36-month term. The AFA replaced a temporary working capital facility extended by NAB in March 2019 (under which AUD 1,977 thousand were drawn at 5.79% p.a.).

Effective as of February 2020, AUD 500 thousand were paid out at an interest rate of 4.41% p.a. Another AUD 1,316 thousand were drawn at an interest of 3.58% p.a. Both facilities have a 36-month term.

Effective as of 28 September 2021, Marley Spoon Pty as borrower entered into an additional equipment loan facility with NAB for AUD 6,000 thousand for a term of 60 months (5 years) at an interest rate of 3.5% p.a.

Chefgood equipment loan

Effective as of 19 December 2022, Chefgood Pty Ltd., the wholly owned subsidiary of the Group, as borrower entered into an equipment loan with NAB as lender in the aggregate amount of AUD 1,357 thousand. Funds borrowed under this facility are to be used to finance certain production equipment which is pledged to NAB as security. AUD 1,357 thousand (EUR 865 thousand) were paid out in December 2022 at an interest rate of 7.02% p.a. This facility has a 24-month term.

Insurance financing

In September 2022, the Company obtained two financing arrangements for its global insurance renewals. One is for EUR 1,049 thousand at an interest rate of 2.4% per annum, with repayments through Q1 2023. The other is for EUR 390 thousand at an interest rate of 4.55% per annum, with repayments through Q2 2023.

Runway Growth Capital credit facility

Effective 30 June 2021 the Company signed and closed a committed senior secured credit facility of four years with Runway Growth Capital. The facility will give Marley Spoon access of up to EUR 54,700 thousand (USD 65,000 thousand) to support the Company's growth strategy. Funds are available for Marley Spoon in two tranches: the *Initial Term Loan* of up to USD 45,000 thousand which the Company could draw through 30 June 2022, subject to being in compliance with the Facility agreement, and the *Supplemental Term Loan* a further USD 20,000 thousand available to be drawn through to 30 June 2022. Access to the *Supplemental Term Loan* was conditional upon Marley Spoon being in compliance with customary financial covenants as well as certain net revenue and contribution margin-based performance milestones.

Of the *Initial Term Loan* (USD 45,000 thousand), EUR 25,200 thousand (USD 30,000 thousand) was drawn at closing. On 26 October 2021, the Company drew the remaining EUR 12,900 thousand (USD 15,000 thousand) of Tranche 1, resulting in an outstanding loan balance of USD 45,000 thousand (EUR 38,100 thousand) outstanding as at 31 December 2021. This balance of USD 45,000 thousand remains outstanding as at 31 December 2022. The interest rate on the facility is comprised of a variable interest rate of 8.5% over the three-month SOFR, subject to a SOFR floor of 0.76%. Note, the benchmark rate was amended from three-month LIBOR to three-month SOFR effective 15 December 2022. The same applies to the floor which was 0.50% before that date. In addition, a deferred interest rate of 1.25% p.a. applies. The deferred interest amount is added monthly to the outstanding principal amount and due upon maturity.

On 20 December 2021, the parties entered into a second amendment to the original facility providing for a *Second Amendment Supplemental Term Loan* of USD 8,100 thousand (EUR 7,200 thousand), which was drawn on 30 December 2021. The Second Amendment Supplemental Term Loan is intended to settle in cash the acquisition of Chefgood Pty Ltd by the parent's Australian subsidiary Marley Spoon Pty Ltd in 2022 along with certain transaction costs and related CAPEX. The interest rate and terms of the initial USD 60,000 thousand apply to the additional USD 8,100 thousand.

The *Second Supplemental Term Loan* redefined the performance criteria required to access the *Supplemental Term Loan* (undrawn USD 20,000 thousand (EUR 19,295 thousand) as at 31 December 2021. The Company drew USD 20,000 (EUR 19,255 thousand) in June 2022 which remains outstanding as at 31 December 2022. The *Supplemental Term Loan* carries the same interest rate as the *Initial Term Loan*. In December 2022, the Company executed an amendment with Runway to extend the interest-only payments period on the debt balance until January 2024. An option to extend this by an additional six months to June 2024 remains should the Company meet certain performance milestones, after which time repayments of principle on all components of the facility would begin in June2024 until maturity of the loans in June 2025.

Loan arrangements in 2021 included as well:

WOW I: AUD 25,950 thousand convertible bonds with WOW

On 26 September 2019, the Company issued to an affiliate of Woolworths Group Ltd. (WOW) two secured convertible bonds (*Wandelschuldverschreibungen*), one in the amount of AUD 23,000 thousand (WOW I bond, tranche 1) and one in the amount of AUD 2,950 thousand (WOW I bond, tranche 2 and together with the WOW I bond, tranche 1, disclosed as the WOW I bonds), against contribution in kind (*Sacheinlage*). The WOW I bonds had a term of 5 years from the issue date. The tranches were interest bearing in the amount of 7% p.a. payable at the end of the term, unless WOW exercised its right to convert the WOW I bonds into securities in the Company. The WOW I bonds were secured by a pledge of the shares in Marley Spoon's Australian operating entity, a security interest over that entity's assets and a guarantee by that entity.

On 11 August 2020, WOW exercised its right to convert WOW I, tranche 2 bond with principal amount of AUD 2,950 thousand. The Company issued 5,900 shares / 5,900 thousand CDIs. On 23 August 2021, WOW exercised its right to convert WOW I, tranche 1 bond with a principal amount of AUD 23,000 thousand and the Company issued 23,833 shares / 23,833 thousand CDIs.

WOW II: AUD 4,047 thousand secured commercial loan with WOW

Effective as of 26 September 2019, the Company and WOW entered into another secured commercial loan agreement, this time in the aggregate amount of AUD 4,047,250 (WOW SCLA II). On 29 February 2020, the Company exercised its right to substitute WOW SCLA II by issuing one secured convertible bond (*Wandelschuldverschreibung*), in the principal amount of AUD 4,047,250 (WOW II bond). The WOW II bond had a term of 5 years from the issue date. It bore interest in the amount of 7% p.a. payable at the end of the term unless WOW exercises its right to convert the WOW II bond into securities in the Company. The WOW II bond was secured by a pledge of the shares in Marley Spoon's Australian operating entity, a security interest over that entity's assets and a guarantee by that entity.

On 23 August 2021, WOW exercised its right to convert WOW II bond and the Company issued 4,193 shares / 4,193 thousand CDIs.

6.8 Trade and other payables

Trade and other payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Trade payables are primarily comprised of balances payable to food and packaging suppliers, transportation carriers and marketing partners.

EUR in thousands	31 December 2022	31 December 2021
Trade and other payables	26,405	27,574

6.9 Other financial liabilities

Other current financial liabilities are associated with payroll accruals and accrued costs for which the goods or services have been obtained, but the Group has not obtained the respective invoices, as well as the contingent consideration for the purchase of Chefgood, payable in 2023 (see further details of the contingent liability terms in note 16).

EUR in thousands	31 December 2022	31 December 2021
Other financial liabilities	14,801	11,424

7 Non-financial assets and liabilities

7.1 Property, plant and equipment

Movements in the carrying amount of property, plant and equipment were as follows:

EUR in thousands	Plant and machinery	Furniture and office equipment	Assets under construction	Assets Held for Sale	Total
Year ended 31 December 2022					
Opening net book value	22,684	520	965	-	24,169
Exchange rate differences	972	17	-	-	989
Additions*	3,989	262	551	-	4,801
Disposals	(398)	(12)	(71)	-	(481)
Transfer of asset under construction	1,339	5	(1,359)	15	-
Depreciation charge	(4,012)	(314)	-	-	(4,326)
Closing net book value	**24,574**	**478**	**85**	**15**	**25,152**
As at 31 December 2022					
Cost	33,994	1,461	85	15	35,555
Accumulated depreciation	(9,420)	(982)	-	-	(10,403)
Net book value	**24,574**	**478**	**85**	**15**	**25,152**

* Additions include EUR 88 thousand (2021: EUR 249 thousand) unpaid as at 31 December 2022.

EUR in thousands	Plant and machinery	Furniture and office equipment	Assets under construction	Total
Year ended 31 December 2021				
Opening net book value	9,464	311	1,387	11,163
Exchange rate differences	463	10	33	507
Additions*	14,930	454	356	15,740
Disposals	(922)	(1)	(4)	(926)
Transfer of asset under construction	807	-	(807)	-
Depreciation charge	(2,058)	(255)	-	(2,313)
Closing net book value	**22,684**	**520**	**965**	**24,169**
As at 31 December 2021				
Cost	28,092	1,189	965	30,245
Accumulated depreciation	(5,408)	(669)	-	(6,076)
Net book value	**22,684**	**520**	**965**	**24,169**

Leasehold improvements for offices and fulfillment centers, spare parts, stand-by and servicing equipment as well as other production equipment are included under plant and machinery above. Furniture and office equipment include computers, electronics, office furniture and equipment.

Plant and machinery include production equipment that are financed by National Australian Bank (NAB) and are pledged as security, as well as equipment pledged as security to Runway Growth Capital (Runway).

In 2022, the Group disposed of equipment which was discontinued due to a change in the Company's fulfillment practices in 2022, with a total net carrying amount of EUR 481 thousand for no cash consideration. The net losses on these disposals were general and administrative expenses in the statement of profit or loss. During the year ended 31 December 2022, there was no identified impairment of property, plant, and equipment.

All property, plant and equipment are recognized at historical cost less depreciation. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Computers & electronics	3 years
Office equipment / furniture	3-7 years
Machinery & warehouse equipment	3-10 years
Leasehold improvements	5-15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized. The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company has an obligation to dismantle and remove all leasehold improvements and equipment in its fulfilment centers when the Company chooses to leave the facility. With the opening of two new fulfilment centers in 2021, the Company has established provisions for these dismantling expenses, and capitalized the anticipated cost of dismantling as a component of the leasehold improvement assets (plant & machinery). Over the life of the assets, the discount on the dismantling provision is unwound and recognized as non-current provision. When the fulfilment centers are vacated, the provision is derecognized, and the leasehold improvements and equipment are dismantled and removed. As at 31 December 2022 the dismantling provisions are EUR 1,100 thousand (2021: 988 thousand).

7.2 Right-of-use assets

The Group recognized right-of-use assets and lease liabilities for leases previously classified as operating leases, except for short-term leases and low-value assets. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a discount rate for leases on contracts where implicit rates are not readily determinable
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with terms that end within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Set out below are the carrying amounts of right-of-use assets and the movements during the period:

	Buildings	Equipment	Total
As at 31 December 2020	**9,024**	**854**	**9,878**
Additions	13,945	4,670	18,615
Exchange rate impacts	720	173	893
Depreciation expense	(3,854)	(1,020)	(4,874)
As at 31 December 2021	**19,834**	**4,678**	**24,512**
Additions	2,920	245	3,165
Exchange rate impacts	519	248	767
Depreciation expense	(3,537)	(2,701)	(6,239)
As at 31 December 2022	**19,736**	**2,470**	**22,206**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2022	2021
As at 1 January	27,122	11,337
Additions	3,165	18,575
Exchange rate	1,015	1,099
Interest expense	3,054	2,552
Payments	(8,686)	(6,441)
As at 31 December	**25,671**	**27,122**

The following are amounts recognized in profit or loss:

EUR in thousands	2022	2021
Depreciation expense of right-of-use assets	6,239	4,874
Interest expense on lease liabilities	3,054	2,552
Expense related to short-term leases	3,485	3,645
Expense related to leases of low-value assets	1,512	608
Total amount recognized in profit or loss	**14,290**	**11,679**

Right-of-use assets - The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). They are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. These assets are subject to impairment.

Lease liabilities - at the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets - The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options - The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases, to lease the assets for additional terms. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew.

Payment schedule for the next 12 months

The Company expects to pay EUR 8,703 thousand based on agreed lease commitments during calendar year 2023. This amount was evaluated based on the current present value of lease liabilities minus the expected present value of lease agreements in the next twelve months. This amount does not take into account new lease agreements and commitments that may be signed during the next period starting on 1 January 2023.

Sublease receivables: In 2021, the Company's Australian entity entered into finance leasing arrangements as a lessor for the use of certain fit-out and equipment in the facility. The term of finance lease entered into is 5 years. Generally, the lease contract does not include an early termination option. The Group is not exposed to additional foreign currency risk as a result of the lease arrangement, as the lease is denominated in a currency used by the Company's subsidiary. Residual value risk on equipment under lease is not significant because the equipment can be used by the Company in the normal course of its business.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

None of the finance lease receivables at the end of the reporting period are past due. Taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables, the Management Board consider that no finance lease receivable is impaired.

Amounts receivable under the finance lease in the next twelve months are: EUR 186 thousand, with EUR 420 thousand receivable from 1 January 2024 through the remaining life of the lease.

7.3 Intangible assets

EUR in thousands	Internally developed software	Software licenses, trademarks, and other intangibles	Asset under construction	Acquired tradename	Acquired website	Total
Cost						
At 31 December 2021	**11,833**	**1,421**	**305**	**-**	-	**13,559**
Additions	6,616	521	-	-	-	7,136
Transfers	-	305	(305)	-	-	-
Additions from business combination	-	281		4,381	1,301	5,962
Exchange rate differences	-	32	-	-	-	32
At 31 December 2022	**18,448**	**2,559**	**-**	**4,381**	**1,301**	**26,689**
Amortization						
At 31 December 2021	**(4,197)**	**(566)**	**-**	**-**	**-**	**(4,763)**
Additions	(4,105)	(156)	-	-	-	(4,261)
Additions from business combination	-	(38)		(710)	(429)	(1,177)
Amortization of sustainability credits	**-**	(107)	-	-	-	(107)
Exchange rate differences	2	2			-	4
At 31 December 2022	**(8,300)**	**(865)**	**-**	**(710)**	**(429)**	**(10,304)**
Cost	18,448	2,559	-	4,381	1,301	26,689
Accumulated amortization	(8,300)	(865)	-	(710)	(429)	(10,304)
Net book value	**10,149**	**1,694**	**-**	**3,671**	**872**	**16,385**

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

Out of total additions capitalized by the Group, EUR 6,616 thousand was self-generated product development assets in the following projects: development and roll out of the Market initiative, investment in the global recipe and menu management tool, and logistics partner integrations for customers to track shipping.

The Group tests whether the intangible assets have suffered any impairment on an annual basis for assets with an infinite useful life or on occurrence of an impairment indicator for all other intangible assets and property, plant, and equipment items. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. During the year ended 31 December 2022, management has not identified indicators of impairment of the intangible assets.

7.4 Deferred taxes

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent it is probable that taxable profit will be available against which the losses or temporary differences can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

EUR in thousands	31 December 2022		31 December 2021	
	DTA	DTL	DTA	DTL
Non-current assets				
Intangible assets	-	4,477	-	1,628
Right-of-use assets	-	5,634	-	6,673
Non-current liabilities				
Lease liability	6,419	-	7,322	-
Long term debt / derivative financial instruments	-	176	-	-
Tax loss carryforward (TLCF)	3,868	-	979	-
Total	10,286	10,286	8,301	8,301
Netting	(10,286)	(10,286)	(8,301)	(8,301)
Total after netting	**-**	**-**	**-**	**-**
DTA on temporary differences (not recognized)	-	-	-	-
DTA (not recognized) on TLCF	31,429	-	33,882	-

The total historical income tax losses (corporate and trade tax) accumulate to EUR 144,709 thousand as at 31 December 2022 (31 December 2021: EUR 146,431 thousand) resulting in a potential deferred tax asset of EUR 35,297 thousand as at 31 December 2022 (31 December 2021: EUR 20,975 thousand). These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group.

The subsidiaries currently have no taxable temporary differences or any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward. All deferred tax assets are considered as non-current as at 31 December 2022 (2021: non-current).

7.5 Inventories

The inventory balance contains food, packaging and marketing items with a net balance of EUR 13,124 thousand (2021: EUR 9,384 thousand).

For non-sold inventory items, the Group designs new recipes to ensure that inventories are consumed, short shelf-life items ordered are directly included in cost of goods sold and not put into inventory. Therefore, the Group did not incur or reverse previous inventory write-downs during 2021 or 2022.

Inventories recognized as an expense during the year ended 31 December 2022 amounted to EUR 171,988 thousand (2021: EUR 136,979 thousand).

EUR in thousands	31 December 2022	31 December 2021
Raw materials	13,124	9,384

7.6 Employee benefit obligations

The Group does not contribute to or offer any defined benefit plans (only defined contribution plans), nor any postemployment benefits that require recognition on the Group's Statement of Financial Position.

Details regarding the Group's Employee Stock Option Program (ESOP) and Stock Option Program (SOP) have been provided in note 8.2. The associated credit is recognized in equity under "Other reserves" on the Statement of Financial Position.

The total employee benefit costs (including defined contribution and social securities) are allocated to the various functional lines in the consolidated Statement of Comprehensive Income as listed in note 4.1.

7.7 Other current financial assets

Other non-financial assets are driven by prepayments to suppliers and tax authorities, the current portion of lease receivables, the current portion of security deposits, and deposits to be returned from suppliers.

EUR in thousands	31 December 2022	31 December 2021
Other current financial assets	3,233	3,705

7.8 Contract liabilities and other non-financial liabilities

Contract liabilities and other non-financial liabilities amounted to EUR 5,442 thousand as of December 31, 2022 (2021: EUR 6,458 thousand) and are related to contract liabilities, VAT, other tax and social security payables as well as vacation allowances. Contract liabilities relate to consideration received from customers for which delivery has not occurred at balance date. The Group expects to recognize the revenue of the amounts deferred within 30 days.

EUR in thousands	31 December 2022	31 December 2021
Contract liabilities	1,876	3,610
Current other non-financial liabilities	3,566	2,848
Total	**5,442**	**6,458**

7.9 Other disclosures according to German GAAP

Number of employees

The average headcount of the Group in the reporting period was 2,079 employees (2021: 1,862).

Auditors' fees

Principal auditors' fees recognized as an expense in the reporting period were EUR 420 thousand (2021: EUR 349 thousand) for audit, EUR 79 thousand for the interim review (2021: EUR 76 thousand) and EUR 164 thousand (2021: EUR 84 thousand) for tax consultations.

8 Equity

8.1 Share capital and capital reserve

	Share Capital		Treasury Stock		Capital Reserve	Total
In thousands	**Number of Shares**	**Nominal amount (EUR)**	**Number of Shares**	**Paid in (EUR)**	**Paid in (EUR)**	**(EUR)**
As at 1 January 2021	**256**	**256**	**-**	**-**	**229,671**	**229,927**
Issuance of share capital	-	-	-	-	-	-
Conversion of bonds	28	28	-	-	20,455	20,483
Exercise of warrants	-	-	-	-	-	-
Transaction costs for issuance of shares	-	-	-	-	(70)	(70)
Receipt of shares for employee option exercise	-	-	(6)	(6)	6	6
Shares transferred to employees	-	-	5	5	(5)	(5)
Cash on exercise of share options	-	-	-	-	212	212
As at 31 December 2021	**284**	**284**	**(1)**	**(1)**	**250,268**	**250,551**
Issuance of share capital	10,148	10,148	-	-	5,721	15,869
Conversion of free capital	28,904	28,904	-	-	(28,904)	-
Transaction costs for issuance of shares	-	-	-	-	(613)	(613)

Receipt of shares for employee option exercise	-	-	(1)	(1)	1	-
Shares transferred to employees	-	-	2	2	(2)	-
Cash on exercise of share options	-	-	-	-	(9)	(9)
As at 31 December 2022	**39,336**	**39,336**	**-**	**-**	**226,462**	**265,800**

As at 31 December 2022, the issued registered share capital is EUR 39,335,973 (2021: 284,051) in nominal shares. The 31 December 2022 share to Chess Depositary Instrument (CDI) transmutation ratio was 1:10, equating to 393,359,730 CDIs on issue. The 31 December 2021 share to CDI transmutation ratio was 1:1,000, equating to 284,051,000 CDIs on issue. See below for details of the increase in share capital from company funds. The Management Board is authorized to increase the registered share capital upon consensus of the shareholders. The total amount of payments above the par value of 1 Euro have been recorded as capital reserve in the Statement of Financial Position with a value of EUR 226,462 thousand as at 31 December 2022 (2021: EUR 250,268 thousand).

The group has not recognized or assigned any dividends during the presented periods. All issued and outstanding shares are fully paid as of December 31, 2022 (2021: all issued and outstanding shares are fully paid).

During the period

In 2022, 10,930,873 shares (equivalent to 109,308,730 CDIs), reflecting the change in the CDI to share ratio enacted in the current year (see details below), were issued. The issuances were attributed to the capital raises in 2022 for a total consideration of EUR 5,721 thousand in capital reserves.

Transaction costs attributable to issuance of shares (included in cash flows from financing activities, net of tax) stem from the capital raises in 2022. The capital attributable to the issuance of the shares has been charged directly to equity as a reduction in share premium.

The Group has two share option schemes under which options to subscribe for the Group’s shares have been granted to employees. Refer to note 8.2 for further details. For share options granted prior to the IPO of Marley Spoon (the ESOP plans), beneficiaries who exercised in 2022 and 2021 have been settled using the treasury shares of the Group. The treasury shares were contributed by the entities Marley Spoon Employee Trust UG and Marley Spoon Series A UG & Co. KG which are holding shares in the Company, inter alia, for the benefit of employees to be released under the circumstances stated in the ESOP plans. Treasury shares held by the Company at year-end 2021 are for a December 2021 exercise window and were distributed to beneficiaries in January 2022.

The treasury share equity component is equal to the fair market value of the shares on the date of contribution. Any excess of the cash received from employees over the treasury shares’ value is recorded in capital reserves. The exercise of stock options by employees in 2022 added a total consideration of EUR 9 thousand in capital reserves (see note 8.2).

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 a factor of 100 by converting existing capital reserves into registered share capital and simultaneously decreasing its current share to CDI transmutation ratio by a factor of 100 i.e., to 1:10. The Company undertook the change in the transmutation ratio in parallel with the capital increase.

The increase in share capital from company funds is akin to a share split under Australian law meaning it is neither dilutive nor otherwise impacting the economic shareholding of investors in the Company. The Company increased its nominal share capital from company funds by converting existing capital reserves of EUR 28,904 thousand into 28,904 thousand new shares in the Company. No cash contributions by shareholders and/or CDI-holders were required, and the increase did not impact the cash reserves of the Company. As at 31 December 2022 the share capital of the Company equals EUR 39,336 thousand and will be divided into 39,335,973 shares.

The new shares rank pari passu and were issued to Chess Depositary Nominees Pty Ltd (CDN) as the legal owner of the currently issued shares in the Company. For each share held by CDN, CDN received 99 new shares. Given that all security holders participated in the capital increase on a pro rata basis, the existing proportionate holdings in the Company remained unchanged.

During the previous period

In 2021, 28,026 shares were issued. The issuances were attributed to the exercise of convertible rights on two bonds in 2021, for a total consideration of EUR 20,455 thousand in capital reserves.

Transaction costs attributable to the issuance of shares (included in cash flows from financing activities, net of tax) stem from the conversion of bonds (28,026 shares). The capital attributable to the issuance of the shares has been charged directly to equity as a reduction in share premium. Exercises of employee stock options were settled using the treasury shares of the Group and the exercise of stock options by employees in 2022 added a total consideration of EUR 212 thousand in capital reserves.

8.2 Other reserves / other share-based payments

Employee Stock Option Program (ESOP) and Stock Option Plan 2019, 2020, 2021 & 2022 (SOP)

Other reserves include a balance for the Employee Stock Option Program (ESOP) and the Stock Option Plan (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) referred to as "option rights" 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 (or the historical "virtual share plans") following the IPO. This replacement of the former plan by the new plan was accounted for as a modification. However, the replacement did not result in any incremental fair value to be recognized. As at 31 December 2022, all ESOP share options outstanding have an exercise price equal to EUR 0.00, except 8 share options (31 December 2021: 8 share options).

All options and rights for employees have remained the same. The share-based payments have remained equity-settled under the new program. Generally, employees are granted stock options which have a vesting period of up to 48 months with a cliff period of 12 months. No owner rights, e.g., voting rights, are associated with the program. There are no performance conditions embedded in the program and vesting occurs based on the tenure of the employee. Having passed the two-year post-IPO restriction period, normal exercise conditions began in 2020 whereby employees are entitled to exercise their vested options semiannually as determined by the Group. No new shares were issued for these exercises as the shares were already outstanding and held in trust for the employees. Cash received by the Group, in excess of the shares' par value, was recognized in equity as an increase in capital reserves. The cost of equity-settled transactions is recognized in employee benefits expense, together with a corresponding increase in equity (other reserves) over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

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, granting employees share-based payments similarly structured as the ESOP. For equity-settled transactions, the total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award. The fair value determined at the grant date is expensed on a graded vesting scheme, with a corresponding credit in equity.

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

Activity in our stock option plans, denominated in CDIs, was as follows:

	Number of awards [CDIs]
Number of awards outstanding 31 December 2020	13,912,611
Thereof: exercisable/vested	6,391,230
Granted during 2021	6,714,000
Forfeited during 2021	(2,914,506)
Exercised during 2021	(5,614,425)
Expired 2021	(24,428)
Number of awards outstanding 31 December 2021	12,073,252

Thereof: exercisable/vested	4,842,439
Granted during 2022	6,925,272
Forfeited during 2022	(5,609,382)
Exercised during 2022	(13,908)
Expired 2022	-
Number of awards outstanding 31 December 2022	13,375,234
Thereof: exercisable/vested	6,966,172

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

Inputs to the Black-Scholes Valuation Model: SOP Plan	**2022**	**2021**	**2020**	**2019**
Value per common CDI (EUR)	0.14 - 0.38	1.33 - 1.97	0.18 – 2.04	0.31 - 0.36
Exercise price (EUR)	0.14 - 0.44	0.18-1.82	0.18 - 1.53	0.27 - 0.40
Expected volatility	80-99%	79%	57% - 80%	45%
Expected term (in months)	48	48	48	48
Expected dividend yield	-	-	-	-
Risk-free interest rate	0 - 1.38%	0%	0%	0%

Total expenses arising from share-based payments to employee programs (ESOP, and SOP grants in 2019- 2022, and RSU 2022) recognized during the period were EUR 1,009 thousand (2021: EUR 1,341 thousand).

8.3 Currency translation reserve

Other comprehensive loss or income is associated with foreign currency translation (FCTA). Exchange differences arising on translation are recognized as described in note 18.3 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit (loss) when the respective asset or subsidiary is disposed of.

The total balance of the currency translation reserve as at 31 December 2022 is EUR 3,425 thousand (December 31, 2021: EUR 1,637 thousand). All other comprehensive loss or income is classified as equity.

9 Critical estimates and judgements

9.1 Significant estimates or judgements

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in the respective notes of this document. In preparing the consolidated financial statements, the Management Board has taken into account the possible effects of climate change. There were no significant effects on the consolidated financial statements.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Areas that involve significant estimates or judgements in the years ended 31 December 2022 and 31 December 2021 are disclosed in the list below with more specific details on the respective balances included in the mentioned notes.

- Employee stock option program (note 8.2)
- Derivative financial instruments (note 6.2)
- IFRS 16 leasing (note 7.2)
- Chefgood acquisition (note 16)
- Impairment considerations of goodwill (note 17)

9.2 Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet all its financial commitments.

The Group's ability to meet its financial obligations as they fall due and continue as a going concern depends on the Company's ability to maintain a positive cash balance. Management's forecast entails a positive cash balance for the next twelve months assuming a contribution margin expansion to at least 30% and a reduction in G&A expenses as a percent of net revenue by at least 1 percentage point for the fiscal year 2023 as compared to FY 2022. The development of cash flows 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 Group's ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by additional margin expansion and cost reduction. Management expects the Group to be able to address these additional headwinds with the respective measures.

Separately, a number of options not yet factored into the Company's forecasts are being considered as part of a strategic review of the Company's capital structure. These include the sale or partial sales of the business, business combinations as well as restructuring options which would improve the liquidity of the Company.

10 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect its future financial performance. Current year profit and loss information has been included where relevant to add further context. The Group's risk management is carried out by the Finance and Legal teams under supervision of the CFO.

Principal financial liabilities are comprised of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and provide guarantees to support operations. Principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from operations.

The Group is exposed to market, credit and liquidity risk. Financial risk management is carried out by the Finance department, which is overseen by senior management. The objective of financial risk management is to establish limits and ensure that the risk exposure stays within these determined limits. The usage of this method does not guarantee that the company prevents all losses higher than these limits. Senior management reviews and agrees on policies for managing each of these risks.

10.1 Market risk

The Group has exposure to the following market risk:

- Direct materials price risk
- Foreign currency risk
- Interest rate risk

Direct materials price risk

Produce price risk is the risk that changes in market prices of key ingredients used in the production of our products will affect the Group's results of operations.

The Group manages produce price risk with a detailed menu design and planning process which is aligned with pre-determined cost targets. Significant increases in produce prices are mitigated using alternative ingredients, by leveraging the Group's extensive database of recipes to change the offerings for future recipes or by raising prices on its products.

Sensitivities to direct materials price risk:

EUR in thousands	2022	2021
5% increase in material prices	**(1,972)**	**(1,638)**
5% decrease in material prices	1,972	1,638

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Financial instruments, which are denominated in a currency other than the measured functional currency, are subject to foreign currency risk. The Group operates in international markets through locally established subsidiaries. Our international operations seek to match the expenses incurred and revenue generated in the respective currency, and thus the foreign currency risks we face that could be material to our results at the Group level are primarily translational, not transactional.

Since all entities only held balances in their functional currencies (intercompany transactions are settled by month end) there is no foreign currency risk and therefore no disclosure is required.

Derivatives are only used for economic currency hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria, they are classified as “financial liabilities at fair value through profit or loss” for accounting purposes.

The Group entered into loan agreements which are denominated in AUD or in USD. For those loans, the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rate is as follows:

EUR in thousands	**2022**	**2021**
(2021: 2.8%) 6.1% increase of the FX rate AUD / EUR	285	145
(2021: 2.8%) 6.1% decrease of the FX rate AUD / EUR	(285)	(145)
11.7% increase of the FX rate USD / EUR	8,212	1,352
11.7% decrease of the FX rate USD / EUR	(8,212)	(1,352)

Interest rate risk

Interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group has some fixed interest rates on loans and has not entered into any derivative financial instruments to manage its interest rate risk. The Company’s material loan facility has a variable interest rate based on the SOFR, the sensitivities to which are as follows:

EUR in thousands	**2022**	**2021**
1% increase in SOFR	(688.8)	(461.2)
1% decrease in SOFR	688.8	461.2

10.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk can arise as the company offers various payment methods and other transactions with counterparties. The exposure to credit risk in its operating activities exists primarily in the form of trade receivables and security deposits with banks and financial institutions. The nature of the business limits exposure to trade receivables since customers usually pay before delivery, and hence no relevant information is disclosed. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset listed below:

EUR in thousands	**31 December 2022**	**31 December 2021**
Non-current financial assets	2,510	2,338
Trade receivables	774	446
Other current financial assets	**3,233**	**3,705**
Cash and cash equivalents	19,033	38,659
Total	**25,551**	**45,149**

Credit risk related to doubtful accounts that are subject to legal action or those overdue are monitored centrally on a regular basis. In certain countries, external collection agencies are engaged to pursue outstanding amounts.

The composition of trade and other receivables by geographic location of amounts due from payment service providers (PSPs) and corporate customers, net of any allowances for uncollectible amounts, was as follows:

EUR in thousands	31 December 2022				31 December 2021			
	PSP	Customers	Other	Total	PSP	Customers	Other	Total
Europe	36	18	34[1]	87	121	141	14[1]	276
Australia	66	26	37[2]	129	-	94	39[2]	133
USA	408	150	0	558	28	9	-	37
Total	**509**	**194**	**71**	**774**	**149**	**244**	**53**	**446**

[1] Receivables from related parties
[2] Rebate receivable due from a supplier on volume purchases

10.3 Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management regularly monitors the Company's cash balances and movements in cash throughout the period.

The objective of liquidity risk management is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, credit cards and bank loans. The Company's liquidity management involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining equity and debt financing plans. As at 31 December 2022 the Group's current assets of EUR 36,164 thousand (2021: EUR 52,194 thousand) which is less than current liabilities of EUR 63,182 thousand (2021: EUR 60,541 thousand) by an amount of EUR 27,019 thousand. The Group's cash flow from operations in 2022 was a negative EUR 18,726 thousand (2021: negative EUR 14,927 thousand), and the Group held a cash position of EUR 19,033 thousand (2021: EUR 38,659 thousand) as at 31 December 2022.

The Company's non-current liabilities, which are mainly long-term borrowings, reached EUR 91,778 thousand in the year ended 31 December 2022 (2021: EUR 69,612 thousand).

Maturity analysis
The table below summarizes the maturity of the financial liabilities based on contractual undiscounted payments including interest:

EUR in thousands	**31 December 2022**			**31 December 2021**		
	1-3 months	**4-12 months**	**1-5 years**	**1-3 months**	**4-12 months**	**1-5 years**
Trade payables & other payables	26,405	-	-	27,574	-	-
Other financial liabilities	13,123	1,678	-	11,424	-	-
Interest bearing loans and borrowings	2,962	12,945	78,487	5,870	1,479	49,168
Derivative financial instrument	-	-	-	70	-	-
Total	**42,489**	**14,624**	**78,487**	**44,938**	**1,479**	**49,168**

11 Group structure

11.1 Subsidiaries
The Group's principal subsidiaries at 31 December 2022 are detailed below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

			% equity interest	
Name	**Principal Activities**	**Country of Incorporation**	**2022**	**2021**
Marley Spoon Pty Ltd.	Operations	Australia	100	100
Marley Spoon Finance Pty. Ltd.	Financing	Australia	100	100
Chefgood Pty Ltd	Operations	Australia	100	-
Marley Spoon GmbH	Operations	Austria	100	100
Marley Spoon Holdings AG	Holding	Austria	100	-
Marley Spoon BV	Operations	The Netherlands	100	100
Marley Spoon Ltd.	Operations	United Kingdom	100	100
MMM Consumer Brands Inc.	Operations	United States of America	99	99
Marley Spoon Unipessoal Lda	Operations	Portugal	100	100

Country	Address
Australia	Suite 2.03, Building 2, Sydney Corporate Park 190 Bourke Road Alexandria, New South Wales 2015
Austria	Viktringer Ring 5/3 9020 Klagenfurt am Wörthersee
The Netherlands	Industrieweg 1, 3433 NL Nieuwegein
United Kingdom	Raglan House 8-12 Queens Avenue London N10 3NR
United States of America	519 8th Avenue, 19th floor New York, New York 10018
Portugal	Avenida da Liberdade 38, 2 piso, 1269-039 Lisboa

11.2 Capital management

The Group manages its capital structure and makes adjustments considering changes in economic conditions and the requirements of any financial covenants. The primary objective of the Group's capital management is to maximize shareholder value. The Group monitors capital through its "net debt" ratio. In the table below the Group includes interest bearing loans and borrowings, trade and other payables, cash and short-term deposits, excluding discontinued operations in its net debt calculation.

	31 December 2022	31 December 2021
Interest-bearing loans and borrowings	(78,602)	(56,516)
Trade and other payables	(26,405)	(27,574)
Less: cash & short-term deposits	19,140	38,861
Net debt	**(85,867)**	**(45,230)**

No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2022 and 2021.

12 Contingencies & commitments

The Group has no material legal claim contingencies recognized nor have any (material) claims been raised against the Group or any of its subsidiaries.

13 Related party transactions

Parties are considered to be related if they are under common control or if one of the parties has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In addition, a related party is any executive officer, director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such person.

13.1 Significant beneficial security holders

The Group does not have a senior or ultimate holding company but has various security holders. The table below shows all significant beneficial security holders who have an accumulated interest greater than 10% of the shares / CDI as at 31 December 2022. No entities have significant influence over the Group other than the one-vote-one-share structure as listed below:

Shareholder	CDIs	% IC
Conifer Capital Mgt (New York)	85,924,464	21.8
Union Square Ventures (New York)	70,654,461	18.0
Perennial Value Mgt (Sydney)	48,236,947	12.3
Other security holders (under 10%)	188,543,858	47.9

13.2 Key executive and non-executive compensation

Key personnel include the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer ("Management Board"), and the Supervisory Board.

Key Executive Management / Management Board
The total remuneration for officers of the Management Board is listed in the table below:

EUR in thousands	2022	2021
Short-term employee benefits	1,088	756[1]
Share-based payments	175	177
Total compensation	**1,263**	**933**

[1] Prior to his election to the Management Board, effective 1 December 2022, the COO's salary paid in 2021 was exclusively in connection with his position as Marley Spoon Australia CEO and is excluded from this disclosure.

Supervisory Board
Current members of the Supervisory Board have been elected to their positions at the 2021 AGM for a period of three years and consist of the members: Ms. Deena Shiff, Ms. Robin Low, Mr. Roy Perticucci and Mr. Christian Gisy. Ms. Kim Anderson retired from her position on the Supervisory Board effective 19 August 2022 and is succeeded by Mr. Gisy. Mr. Gisy's initial term will last until the next general meeting, during which he will stand for election by the shareholders.

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) 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 EUR 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 did not receive any portion of her 2020 compensation in CDIs in the Company. Mr. Schuh (departed as non-executive Director in June 2021) agreed to forego his entitlement to any of the above fees (including CDIs) during the Supervisory Board initial term.

For the financial year ending 31 December 2022, the cash fees (including superannuation) paid to the current members of the Supervisory Board amount to approximately EUR 345,311 (AUD 541,897) in aggregate.

EUR in thousands	2022	2021
Short-term employee benefits	345	215
Total compensation	**345**	**215**

13.3 Transactions with other related parties
Apart from the related party transactions disclosed in note 6.5, the Company had a transaction with an entity, Marley Spoon Employee Trust UG (MSET), which hold shares in the Company, inter alia, for the benefit of employees to be released under the circumstances stated in the Employee Stock Option Programs (ESOP) of the Company. These entities are fully controlled by Fabian Siegel, Marley Spoon's Global CEO and Managing Director of all of the Group's subsidiaries. In 2021 and 2022, when employees exercised options in the ESOP, shares held by the other entities of Mr. Siegel were transferred to the beneficiaries.

14 Earnings per share
Basic earnings per share (EPS) are calculated by dividing the loss for the period attributable to shareholders of the ordinary shares by the weighted average undiluted shares in the respective year.

The weighted average number of ordinary shares is calculated from the number of shares in circulation at the beginning of a period adjusted by the number of shares issued during the period and multiplied by a time-weighting factor. In accordance with IAS 33 earnings per share, the effect of anti-dilutive potential shares has not been included when calculating diluted earnings per share for the years ended 31 December 2022 and 31 December 2021. The Group currently has shares granted to employees that could, if not for the anti-dilutive effects, dilute basic earnings per share in the future.

As at 31 December 2022, the issued registered share capital is EUR 39,335,973 (2021: 284,051) in nominal shares. The 31 December 2022 share to Chess Depositary Instrument (CDI) transmutation ratio was 1:10, equating to 393,359,730 CDIs on issue. The 31 December 2021 share to CDI transmutation ratio was 1:1,000, equating to 284,051,000 CDIs on issue.

	31 December 2022	31 December 2021
Loss attributable to ordinary equity holders (thousands)	(39,730)	(46,207)
Weighted average shares outstanding (WASO)	29,974,923	266,143
Basic loss per share	**(1.33)**	**(173.62)**
Diluted WASO	30,097,270	273,639
Diluted loss per share	**(1.32)**	**(167.63)**

15 Assets pledged as security

As at 31 December 2022, in addition to customary supplier/ landlord liens, the following assets of the Group are pledged as follows:

- Specific production equipment used by Marley Spoon Pty. Ltd as security for NAB (EUR 5,801 thousand);
- Specific production equipment used by Chefgood Pty. Ltd as security for NAB (EUR 852 thousand);
- Certain financed production equipment used by MMM Consumer Brands Inc. as security for CSC Leasing (EUR 109 thousand);
- The remainder of the Company's assets are pledged as security for Runway

16 Chefgood acquisition

On 4 January 2022, the Group, through its Australian subsidiary Marley Spoon Pty Limited, acquired 100% of the share capital of Chefgood Pty Ltd (Chefgood), a Melbourne-based ready-to-heat meal provider. The acquisition provides Marley Spoon a foothold in a growing and complementary category of prepared meals in Australia and will allow the Company to leverage its operational, digital and customer assets. The acquisition has been accounted for using the acquisition method. As the legal acquisition was closed on 4 January 2022, revenue and profit/loss from Chefgood for the period 4 January – 31 December 2022 is included in the consolidated financial statements and within the operations of the Australian segment (note 2). If the business had been acquired on 1 January 2022, total revenue of the Group would have no impact due to holidays in Australia.

The fair values of the identifiable assets and liabilities of Chefgood as at the date of acquisition were:

Assets	Fair value recognized on acquisition date
Property, plant, and equipment	895
Cash	929
Trade receivables	3
Related party receivables	80
Inventories	260
Other assets	16
Brand name	4,381
Developed website	1,301
Customer relationships	281
Total assets	8,145

Liabilities	Fair value recognized on acquisition date
Trade payables	(842)
Goods and services tax	(148)
Pay as you go tax (PAYG)	(105)
Employee entitlements	(43)
Deferred income	(193)
Deferred tax liabilities	(1,782)
Non-current employee benefits	(41)
Total liabilities	(3,154)
Total identifiable net assets at fair value	4,991

Goodwill arising on acquisition	8,974

Analysis of cash flows on acquisition	Fair value recognized on acquisition date
Net cash acquired with Chefgood	929
Cash paid on 4 January 2022 (initial consideration transferred)	(7,125)
Total net cashflow on acquisition	(6,196)[1]

[1] Cash outflows for investing activity include both this initial consideration paid on acquisition date and the EUR 1,578 thousand paid to the sellers in Q4 2022 as part of the contingent earnout consideration.

The acquisition date fair value of the total consideration for the acquisition was EUR 13,965 thousand. It included EUR 7,125 thousand of initial consideration transferred and contingent consideration of EUR 6,839 thousand, payable in cash, shares or a combination of the two, in earn-out payments over 2.5 years after the acquisition date based on the future financial performance of the acquired business.

The Company determined the fair value of the contingent consideration through scenario-based net-present-value analysis. The provisional assessment of the contingent consideration was estimated at EUR 6,839 thousand. Adjustments to the contingent liability from acquisition to the date it will be settled will impact the statement of profit or loss in that period as a special item.

In December 2022, the valuation was completed and the acquisition date fair value of the acquired developed website was EUR 1,301 thousand, an increase from the incomplete provisional assessment as at 30 June 2022. As a result, there was an increase in the deferred tax liability of EUR 384 thousand. There was also a corresponding reduction in goodwill of EUR 916 thousand, resulting in EUR 8,974 thousand of total goodwill arising on the acquisition. The increased depreciation charge on the developed website from the acquisition date to 31 December 2022 was not material.

The deferred tax liability mainly comprises the tax effect of the net intangible asset uplifts and is assessed based on applying the standard Australian corporate tax rate of 30%.

	Fair value recognized on acquisition date
Initial consideration transferred (cash)	7,125
FV of contingent consideration	6,839
FV of net assets acquired	4,991
Goodwill	8,974

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

Goodwill	
Carrying amount at 1 January 2022	-
Acquisition of Chefgood	8,974
Exchange rate differences	42
Carrying amount at 31 December 2022	9,016

Goodwill recognized on the acquisition relates to the expected growth, cost synergies and cross-selling opportunities which cannot be separately recognized as intangible assets. This goodwill has been allocated to the Group's Australian segment and is not expected to be deductible for tax purposes.

At 31 December 2022, the fair value of the contingent consideration is determined to be EUR 4,449 thousand, which is net of the partial payment of the first earnout consideration. Changes to the estimate result from lower-than-expected Chefgood revenue growth, a change in the timing of transferring the first earnout consideration to the seller, and the passage of time. The new estimate does not arise from additional information relating to conditions at the acquisition date. Consequently, there is a change in fair value of EUR 956 thousand, recognized in profit or loss as an additional expense, and an amount relating to the unwinding of the discount (EUR 118 thousand) recognized as a credit to financing cost, also within profit or loss.

A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below.

Contingent Liability	
Carrying amount at 1 January 2022	-
Liability arising on business combination	6,839
Payments made to Sellers	(1,587)
Fair value changes recognized in profit or loss	(839)
Exchange rate differences	36
Carrying amount at 31 December 2022	4,449

Transaction costs of EUR 66 thousand have been expensed and are included in general & administrative expenses in the statement of profit or loss and adjusted as a special item. They are also a part of operating cash flows in the statement of cash flows.

17 Goodwill

In the following table we have disclosed the allocation of goodwill for reporting units as well as the development in 2022:

Goodwill	31 December 2021	Initial consolidation	Currency translation effects	31 December 2022
Australia	-	8,974	42	9,016
Total	-	8,974	42	9,016

The goodwill acquired with the purchase of Chefgood has been allocated to the Group's Australian segment and is tested on the combined operations of Australia. There has been no change in the process of identification of CGUs in the current year. Pursuant to IAS 36 the Group performed an annual impairment test for goodwill. The annual impairment test is generally performed as of 31 December.

The key assumptions used in the estimation of value-in-use were as follows: a pre-tax discount rate applied to the cash flow projections of 12.9%, and a growth rate used to extrapolate the cash flows of the CGU beyond the five-year period of 1.5%.

The Group determines the discount rate for the CGUs based on weighted average cost of capital (WACC) and the capital asset pricing model (CAPM). This includes the determination of a risk-free rate, country risk premiums and a spread for credit risk for the respective business-specific peer groups. Additionally, the calculation considers capital structure and beta factor of the respective peer group as well as the average tax rates of each CGU. As a result, for the CGU for which impairment was tested, the post-tax discount rate mentioned above was determined.

The recoverable amounts for the CGU were calculated based on the concept of value-in-use. In assessing the value-in-use, the estimated future cash flows are based on detailed projections for the CGU approved by senior management, covering a period of five years. The cash flows after the five-year period are extrapolated on the assumption of a growth rate, which is derived from the assumed average market or industry growth rate of the CGUs/group of CGUs. Based on this extrapolation a terminal value is determined. The underlying management forecast reflects the current performance and management's best possible estimates on the future CGU development.

The annual impairment test did not uncover any indication for goodwill impairment as at 31 December 2022.

18 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Marley Spoon AG and its subsidiaries.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

18.1 Basis of preparation

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

The consolidated financial statements have been prepared on a historical cost basis, except for the derivative financial instruments and the Chefgood contingent liability that have been measured at fair value.

The consolidated financial statements are presented in Euros and all values are rounded to the nearest thousand (EUR thousand), except where otherwise stated. The fiscal year corresponds to the calendar year.

18.2 Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2022. Subsidiaries are all companies over which Marley Spoon AG has direct or indirect control as defined by IFRS 10. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to have control of the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Group and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance.

18.3 Foreign currency translation
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment which the entity operates in (the functional currency). The consolidated financial statements are presented in Euros, which is the Group's reporting currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Comprehensive Income.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- income and expenses are translated at month-end exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income

18.4 Current versus non-current presentation
The Group presents assets and liabilities in the Statement of Financial Position based on a current/non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in the normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

18.5 Financial instruments

Initial recognition and measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or marketplace convention (regular way trades) are recognized on the trade date, i.e., the date on which the Group commits to purchase/sell the asset.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Financial liabilities
Financial liabilities are classified as measured at amortized cost or fair value through profit or loss (FVPL).

Financial liabilities at amortized costs are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are removed from the balance sheet as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as financing expense in the Statement of Comprehensive Income.

Accounts payable amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized at their fair value. If they are long term in nature they are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is the Group's policy to transfer any amounts included in other reserves relating to these assets to retained earnings in the Statement of Financial Position.

18.6 Operating leases
Where an entity within the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the entity, the total lease payments are charged to the Statement of Comprehensive Income (net of any incentives received from the lessor) on a straight-line basis over the lease term. Lease agreements longer than twelve months and subject to the IFRS 16 requirements follow specific presentation and accounting procedures disclosed in note 7.2.

18.7 Sublease
Pursuant to IFRS 16, upon lease commencement, the Group recognizes assets held under a finance lease as a receivable at an amount equal to the net investment in the lease, with finance income subsequently recognized over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment.

18.8 Intangible assets

Intangible assets which are not acquired as part of a business combination are measured on initial recognition at cost. Assets acquired in a business combination are recognized at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Comprehensive Income in the expense category consistent with the nature of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Comprehensive Income when the asset is derecognized.

Trademarks, licenses and customer contracts

Trademarks and licenses are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognized at fair value at the acquisition date. Acquired brands and customer contracts in general have a finite useful life. They are subsequently carried at cost less accumulated amortization and impairment losses.

Software

Purchased software solutions are recorded as intangible assets and amortized from the point at which the asset is ready for use. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and use the asset. Management has made judgements and estimates regarding the future economic benefits of capitalized internally generated software. Actual results may differ from these estimates. Research costs are expensed as incurred.

Environmental credits

Purchased carbon offset credits, voluntarily obtained to reduce the Company's emissions, are recorded as intangible assets at historical costs. The credits are subsequently expensed when the Company applies them to its net zero goals, (i.e., when the carbon offset credit is voluntarily surrendered to the state or applicable agency). The credits are not amortized over time.

A summary of the policies applied to the Group’s intangible assets is as follows:

	Acquired Tradename	Acquired Customer Relationships	Developed Website	Development Costs
Useful life	Finite (10 years)	Finite (1 year)	Finite (3 years)	Finite (3-5 years)
Amortization method used	Amortized on a straight-line basis over the period of expected economic benefit	Amortized on a straight-line basis over the period of expected economic benefit	Amortized on a straight-line basis over the period of expected economic benefit	Amortized on a straight-line basis over the period of expected economic benefit
Internally generated or acquired	Acquired	Acquired	Acquired	Internally generated

18.9 Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Cash and cash equivalents also include cash at banks as well as short-term deposits, which are accessible within three months or less, for which the risk of changes in value is considered to be insignificant. Fair value of cash and cash equivalents equal their respective carrying amount due to the short-term maturities of these instruments.

18.10 Inventories
Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realizable value. Costs of purchased inventory include the purchase price, shipping and handling costs incurred to bring the inventories to their present location and condition and are determined after deducting rebates and discounts. The cost of inventories is assigned using a weighted average cost principle and items are consumed using a first-in, first-out (FIFO) principle.

Inventory with a short shelf life that is not utilized within the best-by period is directly written off as expense (cost of goods sold).

18.11 Provisions
Provisions for legal claims, service warranties and make-good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the probable obligation at the end of the reporting period.

Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less (when appropriate) cumulative amortization recognized in accordance with the requirements for revenue recognition.

18.12 Decommissioning liability
The Group recorded a provision for decommissioning costs of its two new fulfilment centers. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

18.13 Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities primarily relate to advance payments received from customers.

If a customer pays consideration before the Company transfers goods to the customer, these pending performance obligations are recognized as a contract liability. Contract liabilities are recognized as revenue when the performance obligation is satisfied.

18.14 Employee benefits
Share-based compensation
The Group provides equity-settled share-based compensation benefits, which are provided to employees via an Employee Share Option Program, previously known as Virtual Share Program, and Share Option Program. The accounting policies are described in note 8.

Other employee benefit obligations
The liabilities for annual leave are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are then measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

The Group does not operate any post-employment schemes other than mandatory defined contribution schemes.

18.15 Taxes
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant taxation authorities. The tax rates and tax laws used to calculate the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group has operations and generates taxable income.

Current income tax related to items recorded directly into equity are recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes
Deferred tax is provided using the liability method or temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all temporary differences except for those between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of all unused tax credits and unused tax losses. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the tax liability settled based on tax rates that have been enacted or substantively enacted at the reporting date.

Sales tax
Expenses and assets are recognized net of the amount of sales tax except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

18.16 Impairment
Non-financial assets (other than inventories)
The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its fair value less costs of disposal and value-in-use. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount is assessed on a CGU level and compared to net cash flows for that CGU. When determining the value-in-use, estimated net cash flows are discounted to their net present value (NPV) using a pre-tax discount rate that reflects the time value of money and the risks specific to the CGU in the current climate.

In Management's judgement, the lowest aggregation of assets which give rise to CGUs as defined by IAS 36 Impairment of Assets are the individual operating entities, namely Germany, Netherlands, Portugal, Austria, United Kingdom, United States of America and Australia. For the applicable policy on inventories refer to note 18.10.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These climate-related risks are included as key assumptions where they materially impact the measure of recoverable amounts. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

Non-derivative financial assets
The Group recognizes loss allowances for expected credit losses (ECLs) on:

(a) financial assets measured at amortized cost;
(b) financial assets measured at fair value through other comprehensive income (FVOCI)

The Group applies the general approach for security deposits which are classified as financial assets measured at amortized cost and reported as non-current financial assets on the Statement of Financial Position.

ECLs are recognized for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, ECLs are recognized for the financial instrument at an amount equal to 12-month expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

For trade receivables, the Group applies a simplified approach in calculating ECLs, whereby the changes in credit risk are not tracked, but instead the Group recognizes a loss allowance based on the lifetime ECLs at each reporting date. The majority of trade receivables are held by the Group's payment service providers having collected the proceeds from customers prior to delivery of the goods. The PSPs hold these receivables for a maximum period of one week before transferring to the Group, effectively serving only as a collection pass-through. The Group has not experienced, nor does it expect, material credit losses from these parties given the reputation of the parties and the nature of the receivable and therefore have not recognized any ECLs for these items. For receivables from corporate groups, the Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers which are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

For security deposits, classified under non-current financial assets, the Group considers there to be no material ECLs arising from these transactions. Security deposits are paid to lessors or held by financial institutions on behalf of the lessor as security over the leased premises. These deposits are held for the life of the lease. Management determines the risk of credit losses to be immaterial given mitigation strategies exist to reduce this risk, including the issuance of letters of credit over the security deposit as well as the ability of management to withhold future lease payments.

18.17 Revenue recognition
The Group generates revenue primarily from the sale of food ingredients along with corresponding recipes as meal kits. Revenue is recognized in accordance with IFRS 15 *Revenue from Contracts with Customers*.

The Group follows the five-step model pursuant to IFRS 15 in which the amount of and period in which revenue is recognized is determined. The process separates the following steps: identification of the contract(s) with the customer, identification of the individual performance obligations, determination of the transaction price, allocation of the transaction price to the individual performance obligations, and the determination of the timing of revenue recognition.

The Group has a single performance obligation to fulfill for its customers, which is the promise to deliver the ordered meal kit directly to the customer. Revenue is recognized only when the above performance obligation is satisfied, namely, upon delivery of the meal kit. The Group does not provide a right of return for its products given that the good provided contains fresh produce.

Revenue is measured at the fair value of the consideration received or receivable, in exchange for delivery of the ordered meal kit, stated net of promotional discounts, rebates, and sales-related taxes. Prepayments received from customers for future deliveries are recognized as contract liabilities under IFRS 15 and are shown as other non-financial liabilities.

Furthermore, the Group may participate in selling vouchers for future orders to marketing partners. Sales of such vouchers are only included in revenue when a voucher has been redeemed and the corresponding box has been delivered. Prepaid and unused vouchers sold to marketing partners are recognized as contract liabilities under IFRS 15 and are shown as other non-financial liabilities.

18.18 Cost of goods sold
Cost of goods sold includes the purchase price of materials used in production, inbound shipping charges, costs attributable to picking and rent of the fulfillment centers. Shipping charges paid to receive products from suppliers (inbound shipping charges) are included in inventory and recognized as costs of goods sold upon the sale of products to customers.

18.19 Fulfillment expenses
Fulfillment expenses represent shipping expenses incurred to deliver customer orders and customer payment related expenses.

18.20 Marketing expenses
Marketing expenses represent costs incurred in the promotion of products, including online and offline media expenses, production and distribution costs of advertising material, costs of loyalty gifts and other costs associated with the Group's market presence.

Royalty expenses are costs that relate to license and promotion agreements in which royalties are paid to third parties for use of trademarks and related marketing materials. Royalty expenses are based on the greater of a pre-determined contracted percentage of sales or the minimum guarantees in place and are expensed as the services are received.

18.21 General and administrative expenses
General and administrative expenses are costs not directly associated with the production and distribution of goods. They include management and headquarters personnel wages and benefits, travel, rent, insurance, utilities, and other overhead costs.

18.22 Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

18.23 Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs. Inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or to significantly contribute to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

18.24 Changes in accounting policies and disclosures

The Company has adopted all relevant new and amended Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) which are effective for annual reporting periods beginning on or after 1 January 2022. To the extent these financial statements have changed since the 2021 report due to changes in standards and interpretations, we have disclosed the impact of those changes. The Group has not adopted early any standard, interpretation, or amendment that has been issued but is not yet effective.

19 Events occurred after the reporting period

BVB loan extension

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.

20 Closed group disclosure

The closed group disclosure contains the consolidated financial statements of Marley Spoon AG and the following subsidiaries (together, the closed Group):

Name	Country of Incorporation	% of Equity interest	
		2022	2021
Marley Spoon Pty Ltd	Australia	100	100
Chefgood Pty Ltd	Australia	100*	-

* Chefgood Pty Ltd was acquired as a wholly-owned subsidiary of Marley Spoon Pty Ltd, with completion occurring in January 2022.

Entities subject to relief

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 relieves a company of a specified class that is wholly-owned by an Australian company, a disclosing entity which is an Australian body corporate, or a registered foreign holding company, of the necessity to prepare a financial report and directors' report where the requirements of the Instrument have been met. One of these requirements is that the holding entity and the subsidiaries have become parties to a deed of cross guarantee under which each of the entities guarantees the debts of the others.

Marley Spoon AG, Marley Spoon Pty Ltd and Chefgood Pty Ltd are party to a deed of cross guarantee and are all members of the closed Group. There are no other members of the extended closed Group included in these consolidated financial statements of this subgroup. All parties to the deed of cross guarantee which are controlled by Marley Spoon AG (as the holding entity) are part of this report.

There have been no parties added by an assumption deed, removed by a revocation deed and no parties which are the subject of a notice of disposal for the financial year ended 31 December 2022. There are no entities of this subgroup which obtained relief at the end of the preceding financial year, but which are ineligible for relief in respect of this financial year.

As all parties to the deed of cross guarantee are consolidated in these financial statements, there is no requirement to include any further provision in relation to any liabilities which are not consolidated.

The members of this closed Group have not recognized or authorized any dividends during the presented periods. Please see details of the movement in capital reserves and other reserves in note 8. Exchange differences arising from translation are recognized as described in note 18.3 and accumulated in a separate reserve (currency translation reserve) within equity.

The consolidated statement of profit or loss, consolidated statement of comprehensive income or loss and consolidated statement of financial position of the entities that are members of the closed Group are as follows:

Consolidated statement of profit or loss

EUR in thousands	2022	2021
Revenue	176,290	140,801
Cost of goods sold	(98,528)	(75,019)
Gross profit	**77,762**	**65,782**
Fulfilment expenses	(26,762)	(21,498)
Marketing expenses	(30,478)	(34,357)
General & administrative expenses	(32,759)	(26,513)
Earnings before interest & taxes (EBIT)	**(12,237)**	**(16,586)**
Financing income	5,365	6,905
Financing expenses	(3,258)	(2,189)
Derivative instruments	(7)	562
Earnings before taxes (EBT)	**(10,137)**	**(11,308)**
Income tax expenses	(25)	(52)
Loss for the year	**(10,162)**	**(11,360)**
Other comprehensive income / (loss) for the year	**(1,940)**	**1,558**
Items that may be subsequently reclassified to profit or loss		
Foreign exchange effects	(1,940)	1,558
Total comprehensive income / (loss) for the year	**(12,102)**	**(9,802)**

Consolidated statement of financial position

EUR in thousands	31-Dec-22	31-Dec-21
ASSETS		
Non-current assets		
Property, plant and equipment	10,228	9,907
Right-of-use assets	9,723	10,075
Lease Receivables	420	581
Intangible assets	16,366	8,795
Goodwill	9,016	-
Other non-current financial assets	1,927	1,891
Intercompany Loans	113,462	115,679
Intercompany Investments	13,968	13,968
Total non-current assets	**175,110**	**160,896**
Current assets		
Inventories	4,440	2,689
Trade and other receivables	144	272
Other current financial assets	1,811	1,789
Intercompany Receivables	10,679	6,015
Cash and cash equivalents	9,946	20,576
Total current assets	**27,020**	**31,341**
Total assets	**202,130**	**192,237**

LIABILITIES AND EQUITY		
Lease liabilities	8,310	8,404
Interest bearing loans and borrowings – non-current	10,588	12,475
Non-current provisions	1,830	643
Deferred tax liabilities	1,781	-
Total non-current liabilities	**22,509**	**21,522**
Current liabilities		
Trade and other payables	11,327	10,927
Derivative financial instruments	-	70
Contract liabilities	734	1,489
Interest bearing loans and borrowings - current	6,834	5,252
Lease liability – current	2,557	2,447
Other financial liabilities	7,322	4,351
Other non-financial liabilities	1,943	1,941
Intercompany Payables	15,847	17,397
Total current liabilities	**46,564**	**43,874**
Equity		
Share capital	39,336	284
Treasury stock	-	(1)
Capital reserve	228,483	250,268
Other reserves	8,516	7,507
Currency translation reserve	(340)	1,558
Share capital subsidiaries	4,792	4,792
Accumulated net earnings (losses)	(147,730)	(137,567)
Total equity	**133,057**	**126,841**
Total liabilities and equity	**202,130**	**192,237**

The consolidated financial statements were authorized by the Management Board on 27 February 2023.

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

Jennifer Bernstein
Chief Financial Officer, Member of the Management Board

Rolf Weber
Chief Operating Officer, Member of the Management Board

RESPONSIBILITY STATEMENT

To the best of our knowledge and pursuant to applicable accounting principles for consolidated financial statements, we assure that a true and fair view of the financial position and performance is conveyed, that in the Marley Spoon management report, the progression of business, including the business results and the position of Marley Spoon, are presented so as to convey a true and fair view, and that the main opportunities and risks entailed in the Group's prospective development are described. Also, there are reasonable grounds to believe that the members of the extended closed Group note 19 will be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

Berlin, 27 February 2023

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

Jennifer Bernstein, Chief Financial Officer
Member of the Management Board

Rolf Weber, Chief Operating Officer
Member of the Management Board

INDEPENDENT AUDITORS' OPINION

Independent Auditors' Report

To: Marley Spoon AG

Report on the audit of the consolidated financial statements and of the group management report

Opinions

We have audited the consolidated financial statements of Marley Spoon AG, Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Marley Spoon AG for the fiscal year from 1 January to 31 December 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the fiscal year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Material uncertainty related to going concern

We refer to the information in Note 9.2 in the consolidated financial statements and in section 3 of the group management report in which the executive directors state that the Group's ability to meet its financial obligations as they fall due and continue as a going concern depends on the Company's ability to maintain a positive cash balance. Management's forecast entails a positive cash balance for the next twelve months assuming a contribution margin expansion to at least 30% and a reduction in G&A expenses as a percent of net revenue by at least 1 percentage point for the fiscal year 2023 as compared to FY 2022. The development of cash flows 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 Group's ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by additional margin expansion and cost reduction. We draw attention to the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and that represents a going concern risk pursuant to Sec. 322 (2) Sentence 3 HGB.

Our opinions are not modified in respect of this matter.

Key audit matters in the audit of the consolidated financial statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matter:

Revenue recognition

Reasons why the matter was determined to be a key audit matter
The Group generates revenue from the sale of food boxes. Revenue is recognized when the customer obtains control over the food boxes. Revenue is presented net of various sales discounts associated with rebate campaigns.

We are of the opinion that revenue recognition is a complex matter due to the high number of boxes sold and the variety of rebate programs which gives rise to an elevated risk of accounting errors. In light of the significance and the large number of individual transactions recorded, we are of the opinion that revenue recognition is a key audit matter.

Auditor's response
During our audit, we analyzed the accounting policies applied in the consolidated financial statements of Marley Spoon AG for revenue recognition in terms of the five-step model defined in IFRS 15. Moreover, we verified the processes implemented by the representatives of Marley Spoon AG for the recognition of revenue, particularly with regard to the treatment of rights of return and discount allowed and tested the effectiveness of the controls implemented in these processes.

We tested the plausibility of the reported revenues by the use of data analytics. In addition, as part of our substantive audit procedures, we reconciled the revenue recognized for a statistical sample to the cash received and verified whether the revenue was recorded in the correct period based on the underlying terms and conditions of the supply contract.

Our procedures did not reveal any exceptions relating to revenue recognition.

Reference to related disclosures
The disclosures on the accounting policies applied for the recognition of revenue are contained in Section 18.17 "Revenue Recognition" of the notes to the consolidated financial statements.

Other information
The Supervisory Board is responsible for the letter from the Chairman. In all other respects, the management is responsible for the other information. The other information comprises the following other components of the annual report:

- the Marley Spoon key performance indicators (KPIs)
- the letter from the CEO
- the letter from the Chairman
- the corporate governance statement
- the remuneration report
- the directors' report
- the shareholder information and
- the responsibility statement

but not the consolidated financial statements, the management report disclosures included in the substantive audit, and our audit opinion thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of estimates made by the management and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, 27 February 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

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