

MARLEY SPOON

PRELIMINARY FINAL REPORT 2021

ABN 625 684 068

APPENDIX 4E

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 2021. The comparative period is the twelve months ended 31 December 2020.

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:

	2021 EUR thousands	2020 EUR thousands	Change EUR thousands	Change %
Revenue	322,393	254,033	68.4	26.9%
Net profit / (loss) after tax attributable to members	(46,207)	(86,239)	39.8	(46.1%)

Dividends

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

Explanation of results

In 2021 revenue increased by EUR 68.4 million or 27% to EUR 322.4 million compared with the 2020 financial year (EUR 254 million). The year-over-year growth was driven by all regions with Australia leading at +37.0% growth (+30.7% on a constant currency basis), Europe at +35.3% growth, and the US +17.5% growth (+21.3% on a constant currency basis), compared to 2020. The business delivered nearly 60 million meals in FY 2021, a 26% increase compared to 2020.

The Company maintained contribution margin consistent with the previous corresponding period (PCP) at 28.5%. EBIT was EUR (43.4) million in 2021, compared to EUR (7.4) million in 2020, with the loss attributed to an increase in marketing investment (+81% versus the PCP) to drive topline growth and in general & administrative expenses (+51% versus the PCP) to enhance our operational infrastructure.

Financing income and expenses, including the impact of derivative instruments, decreased from EUR (78.8) million in the PCP to EUR (3.0) million in 2021, primarily driven by the conversion of two convertible bonds in 2020 and the remainder in 2021. Net loss after tax attributable to members for the period decreased accordingly, from EUR (86.4) million in 2020 to EUR (46.6) million in 2021.

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 2021 EUR	31 December 2020 EUR
Net tangible assets per ordinary share ¹	(92.8)	(12.5)

¹ Chess Depository Interests (CDIs) are publicly traded on the ASX. 1,000 CDIs are equivalent to one share in the Company



The calculation of net tangible assets per ordinary share is based on the total number of issued shares (*Aktien*) as at 31 December 2021 of 284,051 shares and as at 31 December 2020 of 256,025 shares.

Details of entities over which control has been gained or lost during the period

There are no changes in control of the Company's entities in the current period.

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: 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.

Discussion of trends in performance: please refer to the "Group financial position and performance" in the attached Management Report section of the Annual Report.

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: 24/02/2022
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.....
Jennifer Bernstein, Chief Financial Officer
Member of the Management Board

Date: 24/02/2022
.....

.....
Rolf Weber, Chief Operating Officer
Member of the Management Board

Date: 24/02/2022
.....





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MARLEY SPOON



ANNUAL REPORT 2021

ABN 625 684 068





MARLEY SPOON KEY PERFORMANCE INDICATORS (KPIs)	2
FROM THE CEO	4
FROM THE CHAIRMAN	6
GROUP MANAGEMENT REPORT OF MARLEY SPOON AG	8
1 Business Model & Strategy	8
2 Economic Position & Position of the Group.....	11
3 Risk and Opportunities Report	15
4 Outlook	18
OTHER REPORTING ITEMS	20
1 Remuneration Report	20
2 Directors' Report	28
3 Shareholder Information	32
4 Corporate Governance Statement.....	34
GROUP CONSOLIDATED FINANCIAL STATEMENTS	35
1 Financial Statements	35
2 Description of the business & segment information	40
3 Revenue.....	41
5 Income tax expense	43
6 Financial assets and financial liabilities.....	43
7 Non-financial assets and liabilities.....	51
8 Equity.....	56
9 Critical estimates and judgements.....	58
10 Financial risk management.....	59
11 Group structure	61
12 Contingencies & commitments.....	62
13 Related party transactions.....	62
14 Earnings per share	64
15 Assets pledged as security	64
16 Summary of significant accounting policies.....	64
17 Events occurred after the reporting period.....	70
RESPONSIBILITY STATEMENT	72
INDEPENDENT AUDITORS' OPINION	73



MARLEY SPOON KEY PERFORMANCE INDICATORS (KPIs)

Group Financial KPIs

Group	2021	2020	+/- (%)
<i>€ millions</i>			
Net revenue	322.4	254.0	26.9%
Net revenue on a constant currency basis	322.0	254.0	26.8%
CM %	28.5%	29.2%	(0.7 pts)
Operating EBITDA	(32.6)	(0.5)	(32.1)
Operating EBITDA %	(10.1%)	(0.2%)	(9.9 pts)
Group financial position			
Cash flow from change in net working capital	16.5	4.9	236.7%
Cash flow from operating activities (CFOA)	(14.9)	4.4	(438.6%)
Cash & cash equivalents	38.7	34.4	12.5%

Segment Financial KPIs

Australia	2021	2020	+/- (%)
<i>€ millions</i>			
Net revenue	117.8	86.0	37.0%
Net revenue on a constant currency basis	112.4	86.0	30.7%
Contribution margin (CM)	40.0	31.4	8.6
CM %	34%	36%	(2 pts)
Operating EBITDA	0.7	9.7	(9)
Operating EBITDA %	0.6%	11.3%	(10.7 pts)

United States	2021	2020	+/- (%)
<i>€ millions</i>			
Net revenue	149.4	127.2	17.5%
Net revenue on a constant currency basis	154.4	127.2	21.3%
Contribution margin (CM)	39.4	32.7	6.7
CM %	26%	26%	(0 pts)
Operating EBITDA	(9.8)	4.1	(13.9)
Operating EBITDA %	(6.5%)	3.2%	(9.8 pts)

Europe	2021	2020	+/- (%)
<i>€ millions</i>			
Net revenue	55.2	40.8	35.3%
Contribution margin (CM)	12.5	10.1	2.4
CM %	23%	25%	(2pts)
Operating EBITDA	(23.5)	(14.3)	(9.2)
Operating EBITDA %	(42.6%)	(35.0%)	(7.5 pts)
Operating EBITDA excluding headquarter costs	(4.4)	(1.9)	(131.6%)

**Other KPIs**

	2021	2020	+/- (%)
Active customers (thousands)	376	327	15%
Active subscribers (thousands)	268	227	18%
Average order value (EUR, net)	46.39	45.18	3%
Average order value (EUR, net) at constant currency	46.29	45.18	2%
Total orders (millions)	6.9	5.6	24%
Portions sold (millions)	58.7	46.7	26%
Average portions per order	8.4	8.3	1%
Cost per acquisition (CAC, EUR)	66.85	39.51	69%
% revenue from repeat customers	93%	93%	-



FROM THE CEO

Berlin, February 2022

Dear Shareholders,

2021 was a challenging year that required our teams to stretch their capabilities in order to fulfill our promise to our customers in a volatile operating environment.

The year tested our global operations with weather disruptions, supply chain challenges and price inflation while we continued to work under difficult and ever-changing lock-down regimes due to the ongoing pandemic. 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 to our subscribers' families. Throughout the year, we successfully shipped nearly 60 million meals across three continents as we delighted our loyal customers and welcomed many new ones.

At the same time in 2021 we took a step back in profitability which was not only driven by external headwinds but also by conscious investments for further scale.

Marley Spoon offers a convenient and competitively priced alternative to grocery shopping, leading to more and more customers shifting a substantial portion of their monthly grocery spending to Marley Spoon's meal kits. 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, driving our decision-making every day, we expect to continue to innovate and evolve our business model.

Continued growth

After doubling our business in 2020 we delivered more growth in 2021. This was achieved at a stable acquisition cost per subscriber, in line with long-term trends, despite swiftly rising online media costs and industry changes due to increased focus on consumer privacy. Throughout the year, we managed to grow our subscriber base as well as revenue per subscriber leading to an overall revenue growth of 27% year on year.

Stable contribution margins

Throughout 2021 we saw unusual weather disruptions, from excessive winter storms in the southern US and Europe to floods and hurricanes across the Company's three regions. An acute labor shortage in the US impacted Marley Spoon's and its partners' operations while leading to wage rate increases and overall cost inflation. Despite those headwinds our teams were able to keep contribution margin stable because of efficiency improvements and selective price increases.

Investments for future scale

Because of the increased scale that we achieved in the prior year, 2021 required us to create additional capacity and invest into further automation as well as process improvements. Throughout the year we opened new manufacturing centers in Sydney and California and rolled-out more digitization in our manufacturing operations. We also rolled out our new picking technology globally leading to higher automation and production quality.

Expanded product offering and customer experience

With the roll-out of this new picking technology our US business was able to significantly expand recipe choice for both of our brands to 40 weekly recipes by the end of last year, while also launching ready-to-heat convenience options that our customers had already been enjoying for some time in Australia. The expanded choice in product offering throughout last year led to benefits in order frequency and basket sizes as our customers were able to find more choices that fit their families' tastes and preferences. We also continued to invest into our global customer service operations that won customer service awards in Germany and the US.

Supporting our teams

Building a strong company culture to support strong teams has been a priority for us since day one. In 2021 we strengthened our bench as we welcomed many new team members throughout the organization. Among others, we significantly grew our front-line teams that pack our boxes and answer our customer inquiries, we welcomed supply chain and manufacturing experts that helped us improve how our goods flow towards our customers and strongly grew our digital team led by our new CTO, Nasreen AbdulJaleel who joined in October. At the end of 2021 we have become a much more capable, diverse and gender balanced team, with 46% of management positions held by women.



We are also excited to welcome the Chefgood team who joined in our mission to provide convenient meal solutions to our customers at the beginning of 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 2021 we published our first Sustainability Report to share our commitment to building an ever more sustainable business.

Outlook 2022

As we look toward another year of growth, our ambition is to continue to expand our product offering for customers and welcome new customers looking for more convenient and sustainable options for weeknight dinner. At the same time we intend to invest with discipline, manage cost and significantly improve our Operating EBITDA performance in order to operate within our financial means.

2021 continued the trend of customer adoption for online grocery shopping. The team at Marley Spoon is excited to leverage this growth momentum and to continue fulfilling our vision of bringing delightful, market-fresh, and easy cooking back to the people.

We believe this is still day one for our company. We remain committed to solve recurring, everyday consumer problems in a sustainable and personalized way. We appreciate your continued trust and support. We 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 2022

Dear Shareholders,

Marley Spoon is grounded in the belief that customer loyalty and satisfaction are fundamental drivers of growth for the Company.

Whereas 2020 delivered extraordinary tailwind growth, 2021 has seen Marley Spoon rise to the challenge of maintaining service consistency in a volatile operating environment.

Many initiatives and improvements including in the areas of supply chain management and fulfillment, during the year encouragingly helped offset external headwinds to deliver stable Contribution Margin year over year. The Company continues to maintain its industry leadership in this regard and aims to sustain this leverage as it scales.

In addition to the operational improvements seen in the business, the Company enjoyed 18% active subscriber growth year-over-year, demonstrating the continued attractiveness and growth potential of meal kits. Additionally, new initiatives to drive average revenue per subscriber began to yield attractive basket size uplift toward the end of the year.

Financial results

For the full year, Marley Spoon recorded:

- Net revenue of EUR 322 million, an increase of 27% on the prior year when growth was ~100%
- Contribution margin of 28.5%
- Operating EBITDA at EUR (32.6) million
- Net loss of EUR (46.6) million, an improvement over 2020's net loss of EUR (86.4) million
- Year-end cash balance of EUR 39 million

Financing activity

Marley Spoon also simplified its balance sheet in 2021, with the last of the convertible bonds being converted by Woolworths in September. Liquidity was increased with the raising of USD 65 million in debt from Runway Growth Capital intended to support the Company's growth strategy. The Company also secured a combination of funding for its recent Chefgood acquisition, an extension of the Runway debt of USD 8.1 million and a EUR 5 million capital raise from a private long-term European investor in January 2022.

The Management Board

As of 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 Management Board has worked collegially to overcome the challenges of distance during periods of lockdown, especially in Europe and Australia, assisted by frequent and open communication, including with the Supervisory Board.

The Supervisory Board thanks the individual members of the Management Board for their continued focus on and dedication to the business and to our customers over this past year.

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.

Following the AGM, we also welcomed to the board Roy Peticucci, as our new European-based non-executive Director, replacing Christoph Schuh who ended his term in June. Mr. Peticucci has had several senior management roles in direct-to-home retail including at Tesco.com and at Amazon, where from 2013 to 2020 he led European Operations and Customer Fulfillment and for a period simultaneously held the same roles in North America. Roy brings a wealth of experience to the Company as it strives to consistently improve our customers' service experience.



I thank all my fellow Directors for their hard work and wise counsel over the past year.

Looking forward

Our ambition going forward is to:

- improve the customer offering and our service levels,
- focus on our people, our culture and our purpose,
- integrate the newly acquired Chefgood business and leverage cross-sell opportunities to Chefgood’s customer base
- continue to deliver growth within current balance sheet capacity, and
- maintain attractive margins and focus on cost discipline.

In the coming year we are excited about the opportunity to diversify our meal offerings thereby improving our share of wallet. We remain passionate about the potential of expanding our product range to meet daily household needs in a healthy and sustainable way.

My thanks to 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 kits are provided to its customers through a simple four-step process:

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

- Each week Marley Spoon and Dinnerly chefs and nutritionists select 18-30+ recipes depending on the market and brand. These recipes may be existing recipes 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

- Our products are predominantly "soft" subscriptions, e.g., 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 or Dinnerly 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 allow for fast turnaround of quality, fresh ingredients to customers without having spent much time sitting on shelves as can occur at traditional supermarkets. Ingredients are delivered to the Company's manufacturing centers, where our associates then assemble the meal kits 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 the simple, step-by-step cooking instructions.
- To cook each meal the customer needs only include 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 Two-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 approximately 30 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.

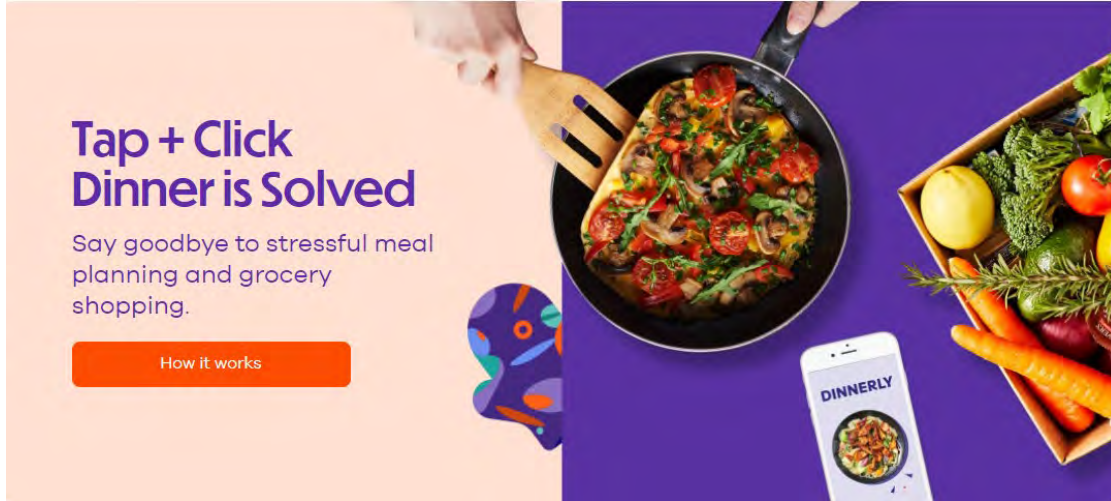
In the US, Marley Spoon has a licensing and promotion agreement with Martha Stewart Living Omnimedia, which it extended in Q2 2020 until the end of calendar year 2023. Through this agreement, Marley Spoon offers the co-branded 'Martha Stewart and Marley Spoon' meal kit.

Dinnerly

In July 2017, Marley Spoon introduced its second brand, named 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. Dinnerly currently offers approximately 18-30 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 primary 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 followed by the launch of Dinnerly in Germany in July 2020 and the Netherlands in February 2021.



1.3 Key features of the Marley Spoon business model

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



1. Customer acquisition	<ul style="list-style-type: none"> Marley Spoon acquires customers through a combination of online marketing, offline marketing and referrals. Marley Spoon compares multiple customer acquisition channels across different regions, setting many of its marketing activities in real time. Customer acquisition is supported by high service levels and ensuring customers have a clear understanding of why they should purchase Marley Spoon meal kits.
2. Customer data insights	<ul style="list-style-type: none"> Marley Spoon uses data collected in each region through its websites and applications relating to customers' buying patterns, feedback and recipe ratings to provide insights into recipe design and weekly selection, in accordance with applicable data privacy laws. Marley Spoon’s in-house chefs and nutritionists in conjunction with the food procurement team regularly develop new easy-to-cook recipes. Recipes vary across Marley Spoon’s three operating regions to cater to different customer demands and seasons.
3. Preference for direct sourcing	<ul style="list-style-type: none"> Marley Spoon seeks to source as many of the meal kit ingredients as possible directly from producers to deliver the freshest possible items to customers. Other ingredients are sourced from trusted wholesale suppliers.
4. In-house manufacturing	<ul style="list-style-type: none"> Marley Spoon focuses on manufacturing excellence to offer choice and variety while driving margin expansion, efficiency and quality. Marley Spoon’s meal kits are prepared and packed utilizing proprietary and non-proprietary standardized processes at its seven global manufacturing centers.
5. Outsourced logistics	<ul style="list-style-type: none"> Marley Spoon currently uses outsourced logistics to provide 'long haul' and 'last-mile' delivery to its customers.
6. Customer communication	<ul style="list-style-type: none"> Excellent communication and service are important components of the overall positive customer experience that Marley Spoon seeks to deliver. Customer support is offered through a call center, via email and via chat-based support.



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.

During 2021, Marley Spoon continued to build an improved technical infrastructure across the value chain to unlock further innovation opportunities. This involved the migration of logistics services, its API and frontend technologies to Amazon Web Services as well as introducing a new order management service that ensures the integrity of all data associated with an order throughout the order management process. Furthermore, the company finalized the integration of a payment gateway, unlocking additional capabilities with regard to payment failure recovery and payment service provider optimization. Marley Spoon also completed its NAV ERP roll-out with the introduction of the Warehouse Module in the Company's US fulfillment centers enabling the Company to fully leverage the system's capabilities. In addition to those by the Company's digital team, developments by external service providers were capitalized in 2021 in the amount of EUR 279.8 thousand.

Marley Spoon continued to invest in its global recipe and menu management tool, reducing manual overhead associated with adding recipes by building software that suggests recipes based on available ingredients. The Company also added additional features to its Customer Communication software, including the ability to track complaints within the same tool as other customer interactions.

Finally, Marley Spoon deployed its new Android application for both its Marley Spoon and Dinnerly brands.

Marley Spoon capitalized EUR 5.8 million of self-developed software in fiscal year 2021, and recognized EUR 2 million of amortization expense. Total product development expense for 2021 was EUR 8.7 million (2020: 4.7 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 differentiates between financial and non-financial performance indicators and measures both 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, such as costs incurred in association with a merger or acquisition. This is an indicator for evaluating operating profitability
Net working capital	The sum of current trade and other receivables, inventories, accrued revenue 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 inflow/outflow 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
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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 prior period)
Total orders	Number of customer orders in a given time period
Portions sold	Number of total portions or individual meals sold within a specified period
Average portions per order	Number of portions 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 are not first-time customers, i.e., these customers 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

After contracting by 3.5% in 2020, global economic growth increased by 5.9% in 2021 according to the International Monetary Fund's (IMF) World Economic Outlook update in January 2022. The global recovery favored advanced economies, which experienced a strong rebound while emerging markets and developing economies were slower to recover from the pandemic. The rebound in Marley Spoon's markets was largely driven by rapid vaccinations, economic support packages and the reopening of economies, and saw Marley Spoon's customers vacationing more and exhibiting stronger skip behavior.

According to the IMF's January 2022 World Economic Outlook update, global growth is expected to decelerate in 2022 from 5.9% to 4.4%, reflecting continued COVID-19 disruption in Q1, diminished fiscal support, financial stress, further supply bottlenecks and persistent elevated inflation (especially on food and energy). This is equally anticipated by Marley Spoon which foresees a continuation of input cost inflation and supply chain volatility. The expected input cost inflation in 2022 is both a continuation of what the Company witnessed in the second half of 2021 as well as an acceleration in certain categories or new headwinds.

Industry overview

The meal kit industry is quite nascent, with the biggest players having been founded only within the last ten or so years and growing to scale in an even more recent timeframe. Meal kits are also a niche segment within the online grocery segment, which itself is also still developing and growing. In fact, online grocery still has quite significant market potential considering that the overall global grocery market in 2020 was worth nearly \$7 trillion (Source: Euromonitor) but online only represents a fraction of that. By way of example, McKinsey 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. 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 the 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 2021 amounts to 284,051 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. 1,000 CDIs are equivalent to one share in the Company. Consequently, 284,051,000 CDIs have been issued as of 31 December 2021.



As of 31 December 2021, Marley Spoon's authorized capital (*genehmigtes Kapital*) and conditional capital (*bedingtes Kapital*) amount to 140,026 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	CHES DEPOSITARY INTERESTS (1,000 CDIs:1 share)
Stock exchange	Australian Securities Exchange (ASX)
Shares issued	284,051
CDIs issued	284,051,000
Subscribed share capital	284,051.00 EUR
ISIN	AU0000013070
ARBN	625 684 068
Ticker symbol	MMM

Share performance 2021 ¹

CDI price as at 31 December 2021	A\$ 0.94
High (22/02/21)	A\$3.22
Low (20/12/21)	A\$ 0.65
Market capitalization as at 31 December 2021	A\$ 267 million
Average daily trading volume (in A\$)	A\$ 1,391,389
Average daily trading volume (in CDI)	685,342 CDIs/day

¹ Source: ASX

2.3 Group financial position and performance

EUR in millions	31 December 2021	31 December 2020
Assets		
Current assets	52.2	44.1
Non-current assets	60.4	29.0
Total assets	112.6	73.1
Equity and liabilities		
Current liabilities	60.6	37.0
Non-current liabilities	69.6	28.0
Total liabilities	130.2	65.0
Equity	(17.6)	8.1
Total equity and liabilities	112.6	73.1

Current assets increased from EUR 44.1 to EUR 52.2 million in 2021. This was due in part to the Company's higher cash position of EUR 38.7 million (2020: 34.4 million) in the year as well as a EUR 2.8 million increase (+43%) in inventories in 2021, going from EUR 6.6 million in 2020 to EUR 9.4 million in 2021. Both were achieved alongside 27% net revenue growth year-on-year thanks to an increase in the Company's subscriber growth as well as an increase in capacity in Marley Spoon's new fulfilment centers.

Non-current assets increased by EUR 31.4 million to EUR 60.4 million in 2021. This includes a EUR 14.6 million increase in right-of-use assets due to new fulfilment center and equipment financing leases. Property, plant and equipment (net) increased by EUR 13.0 million to EUR 24.2 million, driven by buildouts and equipment for the Company's new Sydney and California manufacturing facilities which opened in June and September 2021, respectively, as well investments in new manufacturing equipment globally. Furthermore, intangible assets increased by EUR 3.9 million attributable to the capitalization of internally developed software.



Current liabilities increased from EUR 37.0 million to EUR 60.5 million, mainly driven by an EUR 10.1 million increase of accounts payable and related accruals and the balance of EUR 7.3 million of borrowings payable in the next twelve months.

Non-current liabilities increased by EUR 41.7 million due to an EUR 31.4 million increase in long-term debt, with a new debt facility entered into in 2021 (EUR +45.3 million) offset by the conversion of convertible loans (EUR 17.4 million) and the repayment of a EUR 2.5 million loan in Q1 2021. See further details on non-current liabilities in note 6.7 of the Consolidated Financial Statements.

Equity decreased by EUR 25.7 million mainly driven by the increase of accumulated losses from EUR 226.5 million to 272.7 million, partially offset by the gross impacts of the conversion of convertible loans (EUR 20.5 million) and stock options (EUR 1.3 million).

Earnings position of the Group

For the 12 months ended 31 December 2021, net revenue was up EUR 68.4 million or 26.9% (26.8% on a constant currency basis) to EUR 322.4 million as compared to the PCP, the twelve months ended 31 December 2020 (EUR 254.0 million). By segment, Australia grew 37.0%, followed by Europe with 35.3% and the US with 17.5%. This performance was in line with the Company's outlook.

The revenue growth was driven by a strong increase in active subscribers which totaled 268 thousand at the end of 2021, up 18% from the PCP. The number of orders delivered to customers increased from 5.6 million in 2020 to 6.9 million in 2021, an improvement of 24% year on year. Average net basket size increased from EUR 45.18 in 2020 to EUR 46.39 in 2021. This was largely driven by greater choice in the Company's offering as well as a price increase that was taken at the end of Q3 2021. Revenue from repeat customers was 93% for the period, consistent with results in 2020, a continued sign of strong customer loyalty and the high recurring revenue base the Company has built over time.

Contribution margin (CM) as a % of revenue was 28.5%, in-line with the prior year's performance, though below expectations as of year-end 2020. However, it was also in-line with the revised guidance the Company issued at the end of Q2 2021 due to operational headwinds in H1 2021, including a volatile supply chain and inflation. Operational improvements and the successful implementation of a Q3 2021 price increase to offset the inflation, particularly in the US, led to the stable margin outcome as compared to 2020.

Marketing expense increased +81% year on year driven largely by the unusually low level of marketing spend required in 2020 owing to the pandemic, as well as continued investment in the Company's topline growth. Marketing as a % of net revenue was 22.1% for the year, a decrease of 4 pts as compared to 2019, a more normalized basis for comparison.

General & Administrative (G&A) expenses as a percentage of revenue grew 3% in 2021 versus the PCP, owing to Marley Spoon's investments in its team and infrastructure across all three regions.

Earnings Before Interest & Tax (EBIT) was EUR (43.4) million in 2021, compared to (7.4) million in 2020 driven by the increased investments in the Company's topline expansion and operating bench and infrastructure.

Financing Income & Expenses decreased 96% from EUR (78.8) million in the PCP to EUR (3.0) million in 2021, mainly driven by the conversion of convertible bonds in 2020.

The Company's net loss for the period decreased from EUR (86.4) million in 2020 to EUR (46.6) million in 2021, with the increase in Marketing and G&A expenses offset by the reduced financing income & expenses.

Operating EBITDA for the full year was EUR (32.6) million and declined as a % of revenue 9.9 points year on year to (10.1%) in 2021. This loss exceeded the Company's original outlook and was driven by the Company's investments in its topline growth and infrastructure and capability building.

<i>EUR in millions</i>	2021	2020	Change vs. prior year
Revenues	322.4	254.0	27%
Cost of goods sold	(173.3)	(133.3)	30%
Gross profit	149.1	120.7	24%
Fulfilment expenses	(57.3)	(46.6)	23%
Contribution margin (CM)	91.8	74.1	24%
CM as % of revenues	28.5%	29.2%	(0.7 pts)
Marketing expenses	(71.2)	(39.3)	81%
General & administrative expenses	(64.0)	(42.3)	51%
Operating expenses	(135.2)	(81.6)	66%



EBIT	(43.4)	(7.4)	484%
Financing income & expenses	(3.0)	(78.8)	(96%)
Earnings before taxes (EBT)	(46.4)	(86.2)	(46%)
Tax (expense) / benefit	(0.2)	(0.2)	-
Net loss for the period	(46.6)	(86.4)	(46%)
Operating EBITDA	(32.6)	(0.5)	(32.1)
Operating EBITDA as % of revenue	(10.1%)	(0.2%)	(9.9 pts)

Cash flows and cash position

Cash flow from operating activities (CFOA) was EUR (14.9) million in 2021, compared to operating EBITDA losses of EUR (32.6) million, driven largely by the Company's working capital dynamics. This was a decrease of EUR 19.3 million compared to the PCP.

The Company had negative cash flow from investing activities of EUR (21.5) million in 2021, mainly driven by EUR 15.7 million in buildouts and equipment for the Company's new Sydney and California manufacturing facilities which opened in June and September 2021, respectively. Additionally, EUR 5.8 million were spent on software development and other intangible assets.

Marley Spoon was always able to meet its payment obligations during the financial year. In connection with the Company's liquidity, Marley Spoon had various financing events in 2021 that contributed to funding its growth:

- During Q1, the Company repaid a loan from Berliner Volksbank in the amount of EUR 2.5 million and signed a new unsecured revolving credit facility of EUR 5 million and an unlimited term. This credit line is fully used by a drawdown of a 12-month EUR 5 million loan, bearing 5% interest, which will mature in March 2022.
- During Q2, the Company signed and closed a committed senior secured credit facility with Runway Growth Capital which gave Marley Spoon access of up to EUR 54.7 million (USD 65 million) to support the Company's growth strategy. Of the *Initial Term Loan* (EUR 37.9 million), EUR 25.2 million was drawn at closing. The Company has the right to draw the remaining balance (*Supplemental Term Loan* EUR 16.8 million) through 30 June 2022, conditional upon the Company's compliance with customary financial covenants and certain performance milestones.
- During Q3, the Company entered into another asset financing facility with National Australia Bank Limited (NAB) for EUR 3.7 million (AUD 6 million). The financing was used to fund the development of Marley Spoon's new Sydney fulfilment center. Additionally, in Q3, W23, an affiliate of Woolworths Group Limited, exercised its right to convert the last two outstanding convertible bonds issued by the Company (for a combined amount of EUR 17.4 million) into shares.
- During Q4, the Company drew down the remainder of the Runway *Initial Term Loan* funding USD 15 million (EUR 12.9 million) and secured a USD 8.1 million (EUR 7.2 million) extension to the group's existing debt facility with Runway Growth Capital to support funding the Chefgood acquisition (closed in January 2022).

As at 31 December 2021, the cash and cash equivalents on balance amounted to EUR 38.7 million (prior year: EUR 34.4 million). For 2022, the Management Board assumes that all existing payment obligations can be met.

<i>EUR in millions</i>	31 December 2021	31 December 2020
Cash flows from operating activities	(14.9)	4.4
Cash flows from investing activities	(21.5)	(8.6)
Cash flows from financing activities	41.6	33.7
Net increase in cash and cash equivalents	5.1	29.5
Cash and cash equivalents at the end of the year	38.7	34.4

Overall statement regarding the earnings, financial and asset position of the Group

The reporting period, the twelve months ended 31 December 2021, was characterized by continued strong growth, albeit in a challenging environment characterized by volatile consumer behavior, input cost inflation, labor shortages and supply chain disruption.

Nevertheless, the Company managed to overcome these headwinds and deliver net revenue growth and stable margins, as guided throughout the year. The Company's active subscriber growth, brand pricing power, continued favorable unit economics and stable margins provide Marley Spoon a solid foundation for continued growth and improvement in 2022.

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. Marley Spoon Group deploys transparent management and control systems to identify risks and opportunities at an early stage and manage them accordingly. This report presents the most important risks and opportunities applicable to the 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. Given the importance of this matter, the Supervisory Board has established the Audit and Risk Committee (ARC) as a standing committee, chaired by Robin Low during the reporting period.

As a part of its management of risk, Marley Spoon maintains a system of internal controls over its financial reporting, aiming to identify, evaluate and mitigate any risks that could influence the proper preparation of the Company’s individual and consolidated financial statements (*Jahresabschluss, Konzernabschluss*). The system of internal controls is at the core of Marley Spoon’s accounting and reporting processes and includes preventive and investigative monitoring/detective measures in both financial and operational functions. These measures include, but are not limited to, month-end closing checklists, variance analyses, approval guidelines and other principles and procedures and are regularly analyzed, with procedures taken to mitigate the identified risks documented. Additionally, the effectiveness of the Company’s system of internal controls is regularly reviewed by the CFO and the ARC.

3.2 Risk reporting and methodology

The CFO leads the identification of key risks to the Company and the efforts to analyze, evaluate, and mitigate these identified risks with the appropriate countermeasures. A 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 and develops the RR based on the input of the Company’s various team leads across all 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.

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

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

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

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

Impact	Assessment	Legend
Catastrophic	Risk ≥ EUR 10 million	
Major	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. It is also used to determine which risk information needs to be provided in more detail to the Management Board as well as to the Supervisory Board.

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 2021. Assessing and considering these risk clusters on a consolidated basis provides the basis for determining the overall risk situation. The risk landscape is continually evolving, and Marley Spoon regularly monitors and identifies risks on a proactive basis. This means 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 offline grocery retailers, online/offline grocery 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.



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 which is aligned with predetermined cost targets negotiated with suppliers helps mitigate this risk. The Company has seen an increase in input cost inflation over the course of 2021 and subsequently increased its product prices.
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, a newly created role for the Company, 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.
Third party sourcing / product perishability Perishable products (protein, 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.

<p>Tight Labor Market / Attrition</p> <p>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.</p>		<p>Marley Spoon has seen a tightening of the labor market as a consequence of the pandemic so has taken steps to improve recruiting efforts, strengthen and communicate the Company's Employer Value Proposition, increase wage rates or salaries for more competitive market benchmarking and introduce a new, attractive long term incentive plan in 2022 with the introduction of RSUs.</p>
<p>Key Personnel, Operational Excellence</p> <p>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.</p>		<p>Marley Spoon has set up recruiting and onboarding processes and tools to efficiently evaluate and manage candidates and employees. 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.</p>
<p>Dependence on technology</p> <p>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 the logistics. If this technology fails (e.g., because of a cyber security 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.</p>		<p>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.</p>
<p>COVID-19 pandemic</p> <p>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, or an escalation of existing measures, 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.</p>		<p>Marley Spoon has incorporated additional health and safety measures in its office facilities and manufacturing centers to protect its workforce, customers and to be compliant with new government guidelines. The Company has adapted to address work outages, supply disruptions and other COVID-19 consequences and nearly two years into the pandemic has grown increasingly more agile in this regard.</p>



REGULATORY AND LEGAL

Principal Risk

Assessment

Change

Mitigation

<p>Food safety regulations</p> <p>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.</p>		<p>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.</p>
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FINANCIAL* AND REPORTING

Principal Risk

Assessment

Change

Mitigation

<p>Financing risk</p> <p>Marley Spoon is capitalized with substantial equity financing coming from public capital markets. The Company can be directly affected by developments and risks inherent in such capital markets.</p> <p>Marley Spoon currently has negative net assets but has strong cash balances and projected cashflows.</p>		<p>The Company believes it has a sufficient level of liquidity to fund its current growth plans. Marley Spoon had several financing events in 2021. For details see section Management Report 2.3, sub-section "Cash flows and cash position".</p>
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<p>Foreign currency risk</p> <p>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.</p>		<p>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.</p>
<p>Interest rate risk</p> <p>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.</p>		<p>The Group manages its interest rate risk by mostly having fixed interest rates on loans and does not enter into any derivative financial instruments to manage its interest rate risk.</p>
<p>Credit and fraud risk</p> <p>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.</p> <p>Fraud risk exists in as such 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.</p>		<p>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.</p>
<p>Liquidity risk</p> <p>Liquidity risk is the risk that a Group entity will encounter difficulty in meeting obligations associated with financial liabilities.</p>		<p>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.</p>

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

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 seven fulfillment centers 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, expanded with its two new fulfillment centers in Sydney and California, 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 growth prospects for 2022, though the Company does expect continued volatile customer behavior, supply chain volatility and inflation. Despite continued headwinds, the Company aims to maintain attractive contribution



margins while managing costs and operating with financial discipline. Four guiding principles will govern the Company's priorities in 2022:

- 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 deliver continued growth by increasing its active subscriber base at attractive customer acquisition costs, driving more revenue per subscriber from further choice and personalization and driving retention by continuing to focus on and invest in the customer experience.

Topline growth will be balanced with a continued focus on managing a stable contribution margin amidst an inflationary environment, aiming to improve its cost structure and continuing to invest in automation in its manufacturing centers. Integrating Chefgood, acquired in January 2022, will also be a priority.

On the basis of the above, the Company has guided to the following financial performance for 2022:

- Mid-to-high teens YoY net revenue organic growth plus full year contribution from Chefgood
- Contribution margin in-line with 2021
- Operating EBITDA better than (€15m)



OTHER REPORTING ITEMS

1 Remuneration Report

The Directors of Marley Spoon present this remuneration report for the year ended 31 December 2021. The report outlines Marley Spoon's remuneration policy and practices, explains how the Company's 2021 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, being the members of the Supervisory Board (*Aufsichtsrat*) of the Company, and the executive Directors, being the members of the Management Board (*Vorstand*) of the Company.

Non-Executive KMP		Executive KMP	
Deena Shiff	Chairman of the Supervisory Board	Fabian Siegel	Chief Executive Officer (CEO) and Chairman of the Management Board
Kim Anderson	Non-Executive Director		
Robin Low	Non-Executive Director	Jennifer Bernstein	Chief Financial Officer (CFO)
Christoph Schuh ¹	Non-Executive Director	Rolf Weber ³	Chief Operating Officer (COO)
Roy Peticucci ²	Non-Executive Director		

¹ Christoph Schuh stepped down from the Supervisory Board following the 2021 Annual General Meeting on 11 June 2021.

² Roy Peticucci was appointed 11 June 2021.

³ Rolf Weber was appointed 1 December 2021.

There were no changes to the KMP during the reporting period, other than those reported in the footnotes above, or after the reporting date up to the date the financial report was authorized for issue.

The structure of the remuneration report is outlined as follows:

- Section 1. Remuneration framework
- Section 2. Remuneration governance
- Section 3. Remuneration outcomes of the Management Board
- Section 4. Remuneration of the Supervisory Board
- Section 5. Other information (movement in KMP performance shares and equity holdings)

SECTION 1 – REMUNERATION FRAMEWORK

At Marley Spoon, we believe in and have created a strong Employee Value Proposition (EVP) which combines compensation, purpose, personal growth and culture. Our aim is to provide attractive and competitive remuneration that holistically rewards our team members and enables us to compete for great talent in the market.

Compensation is just one component of our total rewards strategy which we introduced for the first time as a concept in 2021. Key to this strategy is the regular benchmarking of salary ranges per job level, for which we use Mercer external market data. We conducted our first benchmarking study in 2021 with the aim of implementing new salary ranges for our front-office staff per market starting in 2022.

EMPLOYEE VALUE PROPOSITION

Our Employee Value Proposition (EVP) consists of our **company culture**, the **purpose** of our company vision, **personal growth** and our **Total Rewards Package**. We aim to provide an attractive and competitive remuneration approach that rewards our team members who help make Marley Spoon a great place to work.



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. We believe this framework is appropriate to incentivize and recognize performance at a high level, to advance Marley Spoon's purpose and values, and to foster an environment in which team members act as owners and deliver customer and shareholder value.





Our 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

STRATEGIC PURPOSE:

Motivate and reward performance within a year

LONG-TERM INCENTIVE (LTI)

STRUCTURE:

Granted annually as an equity award (stock 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 each 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 will introduce 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 enables 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.

SECTION 2 – 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

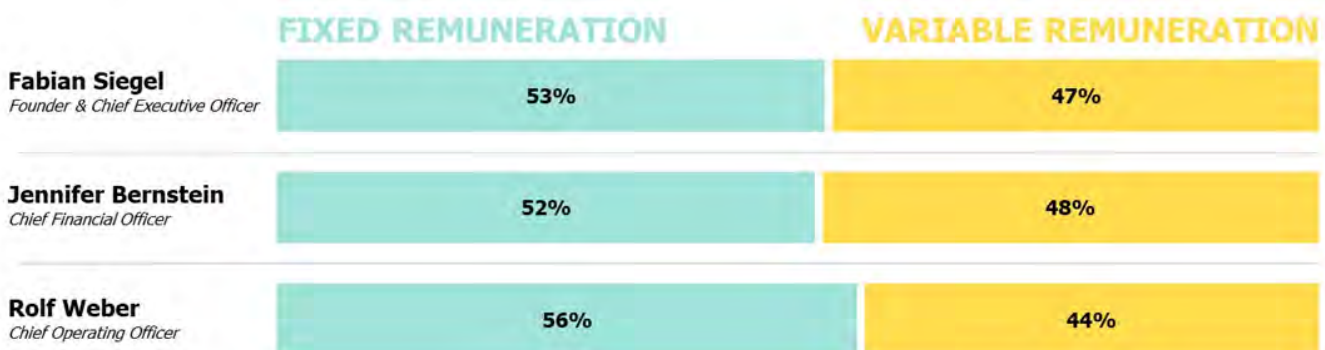
The NRC operates independently of Marley Spoon’s executive Directors and engages from time to time with external remuneration advisors. The requirement to engage advisors’ services is assessed annually based on remuneration matters that arise each year and their recommendations are used as a guide.

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

SECTION 3 – REMUNERATION OUTCOMES OF THE MANAGEMENT BOARD

Remuneration mix

Management Board remuneration is split between fixed remuneration and variable performance-based pay, including equity-based 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	2021					2020				
	Fixed Remuneration	Other Fixed Benefits	STI	Equity-based LTI ³	Total Compensation	Fixed Remuneration	Other Fixed Benefits	STI	Equity-based LTI ³	Total Compensation
Fabian Siegel	€ 480,000 ⁴ (A\$ 749,520)	-	-	€ 238,563 (A\$ 372,516)	€ 718,563 (A\$ 1,122,036)	€ 164,850 (A\$ 262,046)	€ 150,000 ² (A\$ 238,440)	-	€ 74,146 (A\$ 117,863)	€ 388,996 (A\$ 618,349)
Jennifer Bernstein	€ 250,000 (A\$ 390,375)	€ 19,000 ² (A\$ 26,669)	-	€ 23,048 (A\$ 35,989)	€ 292,048 (A\$ 456,033)	€ 62,500 (A\$ 99,350)	€ 19,000 ² (A\$ 30,202)	-	-	€ 81,500 (A\$ 129,552)
Rolf Weber ¹	€ 317,003 (A\$ 495,000)	-	-	€ 18,752 (A\$ 29,282)	€ 335,755 (A\$ 524,282)					

¹ Mr. Weber was appointed to the Management Board effective 1 December 2021. His compensation prior to this point, including LTI earned in 2021, was exclusively in connection with his position as Marley Spoon Australia CEO.

² Other fixed benefits include the employer share in certain Swiss statutory social contributions, in the case of Ms. Bernstein, and travel and living away from home allowance in 2020 for Mr. Siegel.

³ 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.

⁴ For Mr. Siegel's 2021 remuneration, the NRC considered the growth and maturity of the business, including the considerable expansion in markets and offerings under Mr. Siegel's tenure, as well as comparative executive compensation.

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 2021 and 2020.

KMP Executive	2021				2020			
	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\$ 749,520)	-	€ 98,383 (A\$ 153,626)	€ 578,383 (A\$ 903,146)	€ 164,046 (A\$ 262,046)	€ 75,000 (A\$ 119,220)	€ 84,651 (A\$ 134,561)	€ 323,697 (A\$ 515,827)
Jennifer Bernstein	€ 250,000 (A\$ 390,375)	€ 18,840 (A\$ 29,419)	€ 3,326 (A\$ 5,193)	€ 272,166 (A\$ 424,987)	€ 62,500 (A\$ 99,350)	€ 7,620 (A\$ 12,113)	- ²	€ 70,120 (A\$ 111,463)
Rolf Weber	€ 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.

² Ms. Bernstein joined the Management Board in October 2020 and did not participate in the 2020 SOP.

LTI options awarded in 2020 and 2021

Equity awards granted to all executive KMP in 2021 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	Granted Options	Equivalent Number of CDIs	Exercise Price (€)	Value (€)	Full Vesting Date
Fabian Siegel	31-Aug-21	285	285,000	1.28	364,800	01-Feb-25
	03-Aug-20	700	700,000	1.53	1,071,000	01-Jan-24
Jennifer Bernstein	15-Feb-21	170	169,829	1.82	309,089	01-Jan-25
	15-Feb-21	36	36,167	1.82	65,824	01-Oct-24
Rolf Weber ¹	15-Feb-21	143	142,656	1.82	259,634	01-Jan-25

¹ Mr. Weber's LTI in 2020 and 2021 was awarded in his capacity as the MS Australia CEO, prior to his appointment to the Management Board.

As at 31 December 2021, 956.5 options (965,500 CDIs) granted to Mr. Siegel, 202.4 options (202,400 CDIs) granted to Ms. Bernstein and 143 options (143,000 CDIs) granted to Mr. Weber, were still unvested.

LTI outcome

Executive KMP	Grant Date	Granted Options	# CDIs	Exercise Price (€)	Performance Test Date	Perf. Target Op. EBITDA	Perf. Target CM	Retained Options	Vested Options*
Fabian Siegel	17-May-19	53	53,000	0.27	31-Dec-20	Achieved	Achieved	53	15.9
	03-Aug-20	700	700,000	1.53	31-Dec-21	Achieved	Achieved	700	-
Jennifer Bernstein	-	-	-	-	-	-	-	-	-
Rolf Weber	04-Feb-20	247	246,588	0.18	31-Dec-21	Achieved	Achieved	247	24.7

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

Former Management Board personnel

Julian Lange served as the Company's CFO and as a member of the Management Board from November 2014 through 31 December 2020, at which time he resigned from the Management Board of the Company and was succeeded by Ms. Bernstein.

Mr. Lange's total realized remuneration in 2020 is outlined in the table below. To acknowledge his past contributions, salary sacrifices, his willingness to work as a consultant for the Company until September 2021, and in lieu of a severance payment, the vesting of any unvested virtual options granted under the pre-IPO VSP and the 761 options granted in 2019 were accelerated to 31 December 2020. Additionally, the vesting of 210 options granted in 2020 with an exercise price of EUR 0.18 was accelerated to 31 December 2021, and the cliff period of 12 months was waived. Subsequent to his resignation, Mr. Lange was hired as a part-time external consultant to the Company through 30 September 2021. Compensation for his services as a consultant in 2021 were EUR 107,100 (A\$ 167,237).

KMP Executive	2020			
	Fixed Remuneration	Other Fixed Benefits	LTI value at vesting date	Total Compensation
Julian Lange	€ 96,354 (A\$ 153,165)	€ 15,004 (A\$ 23,851)	€ 1,184,020 (A\$1,882,118)	€ 1,295,378 (A\$ 2,059,134)

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. Mr. Weber was appointed as a member of the Management Board (*Vorstand*) effective 1 December 2021 with a fixed term until 30 November 2024.

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 2021, none of the executive KMP received an STI.

SECTION 4 – 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 2021, the compensation was as follows:

Annual Remuneration	Supervisory Board	Audit & Risk Committee	Nominations & Remuneration Committee
Base remuneration	€ 50,620 (A\$ 80,000)		
Supervisory Board and Committee Chairs	€ 44,293 (A\$ 70,000)	€ 12,655 (A\$ 20,000)	€ 12,655 (A\$ 20,000)

The base remuneration is inclusive of any applicable taxes, social contributions, superannuation, and other duties imposed on the respective member of the Supervisory Board.

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 2021.

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 2021.

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, 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 compensation in CDIs in the Company.

Non-executive KMP remuneration

For the financial year ending 31 December 2021, the cash fees (including superannuation) paid to the current members of the Supervisory Board amount to approximately EUR 215,133 (AUD 335,931) in aggregate.

Non-Executive KMP	2021			2020		
	Fee	Superannuation	Total Remuneration	Fee	Superannuation	Total Remuneration
Deena Shiff	€ 59,104 (A\$ 92,291)	€ 6,204 (A\$ 9,688)	€ 65,308 (A\$ 101,979)	€ 36,612 (A\$ 58,198)	€ 3,843 (A\$ 6,109)	€ 40,454 (A\$ 64,307)
Kim Anderson	€ 40,980 (A\$ 63,990)	€ 4,302 (A\$ 6,717)	€ 45,282 (A\$ 70,707)	€ 28,163 (A\$ 44,768)	€ 2,956 (A\$ 4,699)	€ 31,119 (A\$ 49,467)
Robin Low	€ 52,809 (A\$ 82,461)	€ 5,543 (A\$ 8,656)	€ 58,352 (A\$ 91,117)	€ 48,226 (A\$ 76,659)	€ 5,062 (A\$ 8,047)	€ 53,288 (A\$ 84,706)
Roy Perticucci ¹	€ 46,192 (A\$ 72,129)	-	€ 46,192 (A\$ 72,129)	-	-	-
Christoph Schuh ²	-	-	-	-	-	-
Patrick O'Sullivan ³	-	-	-	€ 4,144 (A\$ 6,588)	€ 435 (A\$ 692)	€ 4,579 (A\$ 7,280)

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.

² Mr. Schuh is currently a Partner at Lakestar and lead Partner of the Lakestar I LP, where the Company is included along with 24 other investments and may be entitled to receive participation in the Lakestar I LP return in total, not on the individual performance of the Company. He has agreed to forego his entitlement to any of the above fees (including CDIs) during the Supervisory Board initial term.

³ Mr. O'Sullivan departed as a non-executive Director in January 2020 and was only paid up to 31 January 2020 accordingly.

SECTION 5 – 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 held by executive KMP is outlined below:

	Held at 1 January 2021	Granted during the year	Exercised during the year	Forfeited during the year	Held at 31 December 2021	Vested during the year
Fabian Siegel						
2019	53	-	-	-	53	16
2020	700	-	-	-	700	70
2021	-	285	-	-	285	-
	753	285	-	-	1,038	86



Jennifer Bernstein							
2021	-	206	-	-	-	206	4
	-	206	-	-	-	206	4
Rolf Weber							
2016	1,126	-	(1,126)	-	-	-	-
2019	236	-	-	-	-	236	71
2020	247	-	-	-	-	247	25
2021	-	143	-	-	-	143	-
	1,609	143	(1,126)	-	-	626	96

KMP holdings of equity interest in Marley Spoon AG for the year ending 31 December 2021

KMP	Balance at 31 December 2020	Equivalent No. of CDIs	Exercised in 2021	Purchased in 2021	Sold in 2021	Balance at 31 December 2021	Equivalent No. of CDIs
Deena Shiff	137	137,000	-	-	-	137	137,000
Kim Anderson	106	106,000	-	-	-	106	106,000
Robin Low	134	134,000	-	-	-	134	134,000
Christoph Schuh	-	-	-	-	-	-	-
Roy Peticucci	-	-	-	-	-	-	-
Fabian Siegel ¹	17,196	17,196,451	-	-	-	17,196	17,196,451
Jennifer Bernstein	-	-	-	-	-	-	-
Rolf Weber	746	746,000	1,126	-	-	1,872	1,872,000

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 Directors' Report

For the period 1 January to 31 December 2021

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 2021, 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; 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 2021:

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 boards of Appen Limited, Pro Medicus Limited, and Electro Optic Holdings Limited. She is also on the board of Opera Australia and Chair of the Australian Government's Broadband Advisory Council. Deena chairs the International Advisory Board of the Australian Research Council's Centre on Automated Decision-Making and Society and chairs the Advisory Board of the Australian Centre for China in the World.

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 Stephenson Jaques (now King & Wood Mallesons).

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. She is also a director of the Sax Institute, an evidence-based research institute that specializes in the development of health services and policy. 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. In 2004, Kim joined Southern Star Entertainment as chief executive officer, before moving to the US as chief executive officer and founder of The Reading Room, Inc.

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.

ROY PERTICUCCI

Roy Peticucci was appointed to the Supervisory Board of the Company in June 2021 succeeding Christoph Schuh as the deputy Chairman of the Supervisory Board. He has over 20 years' experience leading stationary retail and eCommerce businesses. He is currently the CEO of Bubbles Bidco, a drugstore chain that trades under the name of "Acqua & Sapone" in Italy. Roy previously held senior roles at other large retailers including Amazon, Ahold (Albert.nl), Dixon's and Tesco across Europe. 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. His contributions included the launch of the company's first "dark store" and the Wine Warehouse as well as the Tesco.net ISP.



CHRISTOPHER SCHUH

Christoph Schuh was appointed to the Supervisory Board of the Company in April 2018, having served as a member of the advisory board of the Company prior to its conversion to a German stock corporation, and resigned his position at the end of the Supervisory Board initial term (at the June 2021 AGM). Christoph is a Partner at Lakestar in Berlin, Germany which was an early investor and continues to be a shareholder in Marley Spoon.

2.3. Management Board (executive Directors)

Names and profiles of the people who served on the Management Board during fiscal year 2021:

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 2021 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	19	19	4	4	5	5
Kim Anderson	19	19			5	5
Robin Low	19	19	4	4	5	5
Christoph Schuh¹	9	9	1	1		
Roy Perticucci²	10	10	3	2		

¹ Term ended 11 June 2021

² Appointed 11 June 2021

2.5. Operating & financial summary

2021 was a year of growth for Marley Spoon and of continuous improvement and development. Equally, it was a challenging year in which supply chain disruptions, food inflation, labor shortages and weather conditions impacted our business. Nevertheless, we ended the year with strong topline growth versus the previous year, stable margins despite absorbing a number of headwinds, and cash from operating activities that was ahead of our Operating EBITDA losses.



While 2020 unpredictably accelerated consumer adoption of online grocery shopping, 2021 unpredictably saw consumers exhibiting more volatile behavior than normal with the vaccine rollout leading customers to go on holiday and therefore skip their meal kit deliveries more frequently than expected. However, Marley Spoon delivered 27% net revenue growth in the full year after growing 96% in 2020. All regions contributed to this growth, with Australia growing 37.0%, Europe 35.3% and the US 17.5% versus the PCP. The net revenue growth was partly attributable to the Company's growing active subscriber base (+18% vs. the PCP to 268 thousand) and initiatives to increase the average revenue per subscriber.

Contribution margin remained stable year-on-year despite the operational headwinds previously mentioned due to enhanced productivity in the Company's fulfillment centers driven by new pick-to-light technology, more efficient materials purchasing and more agility in onboarding new logistics carriers.

Growth and expansion projects, including the launch of the Marley Spoon brand in Western Australia, the opening of new fulfillment centers in Sydney, Australia and California, US, and the launch of Dinnerly in the Netherlands, were also realized in 2021.

The Company delivered EBIT losses of EUR (43.4) million in 2021, compared to EUR (7.4) million in 2020, driven in part by investments in driving topline growth. Additionally, Marley Spoon invested in infrastructure and strengthening of the Company's operational bench by bringing on new talent and introducing new capabilities to help the Company continue to scale.

2.6. Significant changes in the state of affairs

In June 2021, Marley Spoon signed and closed a committed senior secured credit facility of four years with Runway Growth Capital, the proceeds of which are intended to fund the Company's capital requirements as part of its growth strategy.

In December 2021, the Company entered into an agreement to acquire Chefgood Pty Ltd ("Chefgood"), a Melbourne-based ready-to-heat meal provider. The acquisition gives Marley Spoon a foothold in a growing and complementary category and will allow the Company to leverage its operational, digital and customer assets, providing synergies for both companies. A EUR 7.2 million (USD 8.1 million) extension to the group's existing debt facility with Runway Growth Capital, at the same commercial terms, was signed in late December 2021. This facility is intended to partially fund the Chefgood purchase price.

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

Chefgood acquisition

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. The acquisition grants 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. As the acquisition closed on 4 January 2022, no amount for revenue or profit/loss for Chefgood is included in the consolidated financial statements of the Group.

The Company expects to pay up to EUR 13,300 thousand (AUD 21,000 thousand), with additional earn-outs of up to EUR 3,600 thousand (AUD 5,600 thousand) payable over the next 2.5 years, depending upon future financial performance of the acquired business. The transaction was partially funded by a EUR 7.2 million (USD 8.1 million) extension to the group's existing debt facility with Runway Growth Capital. The Company also has at its disposal for future purchase price payments the proceeds from a EUR 5 million equity placement with a long-term oriented European institutional investor, completed in January 2022.

Equity raise

On 18 January 2022, the Company executed a EUR 5,000 thousand (AUD 7,907 thousand) equity placement with a long-term oriented European institutional investor. The Company issued 7,907 new shares (7,907,000 CDIs) at A\$ 1.00 per CDI.

ESOP exercise

In January 2022 the Company transferred the exercised shares (see note 8.1) held as treasury stock to the beneficiaries. Any excess of the cash received from employees over the reduction in treasury shares is recorded in capital reserves.

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 2021, there were no reportable incidents recorded.

2.10. Dividends

Marley Spoon did not pay dividends in 2021.

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 2021, 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, 24 February 2022

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 284,051 no-par-value shares (shares without nominal value). In accordance with the Company’s prospectus dated 6 June 2018, 1,000 CHESS Depository Interests (CDIs) equates to 1 share in the Company. As at the date of this Report, 284,051,000 CDIs are issued which represent all 284,051 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 2021 Corporate Governance Statement, as approved by the Supervisory Board, 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 2021 financial year.

3.2. Substantial shareholders

The number of securities held by substantial beneficial shareholders is set out below:

Shareholder	CDIs	% IC
Conifer Capital Management/Acacia (New York)	48,368,423	17.03
Union Square Ventures (New York)	42,962,000	15.12
Perennial Value Mgt (Sydney)	31,784,837	11.19
Other Security Holders (under 10%)	160,935,740	56.66

3.3. Number of security holders and securities on issue

Marley Spoon has issued the following securities:

- (a) 284,051 no-par-value shares (shares without nominal value) held by 1 shareholder (Chess Depository Nominees Pty Ltd.; “CDN”);
- (b) 284,051,000 CDIs held by 5,395 CDI holders (as of 31 December 2021) representing 284,051 shares of (a);
- (c) 1,051 employee share options held by 619 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 1,000 CDIs they hold.

Options

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

3.5. Distribution of security holders

Range	CDIs (as at 31 December 2021)			
	Securities	%	No. of holders	%
100,001 and over	257,478,141	90.65	80	1.48
10,001 to 100,000	15,898,219	5.60	571	10.58
5,001 to 10,000	4,451,264	1.57	590	10.94
1,001 to 5,000	5,078,458	1.79	1,920	35.59
1 to 1,000	1,144,918	0.40	2,234	41.41
Total	284,051,000	100.0	5,395	100

3.6. Unmarketable parcel of shares

The number of CDI holders holding less than a marketable parcel of securities is 1,365 (as of 31 December 2021).

3.7. Twenty largest shareholders

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

Rank	Name	31-Dec-21	% IC
1	HSBC Custody Nominees (Australia) Limited	76,454,542	26.9%
2	Merrill Lynch (Australia) Nominees Pty Limited	43,392,000	15.3%
3	J P Morgan Nominees Australia Pty Limited	31,011,639	10.9%
4	Citicorp Nominees Pty Limited	19,806,746	7.0%
5	AKW Capital UG	16,406,451	5.8%
6	National Nominees Limited	15,151,839	5.3%
7	Lakestar I	9,008,000	3.2%
8	BNP Paribas Nominees Pty Ltd	8,779,680	3.1%
9	Qd Investments Ltd	7,455,000	2.6%
10	BNP Paribas Nominees Pty Ltd	4,303,033	1.5%
11	Mexattax Gmbh	2,566,000	0.9%
12	Washington H Soul Pattinson & Company Limited	2,094,240	0.7%
13	Mr Kenneth Joseph Hall	1,900,000	0.7%
14	Marley Spoon Employee Trust Ug	1,802,557	0.6%
15	Hainason Holdings Pty Ltd	1,711,702	0.6%
16	Cbc Co Pty Limited	1,514,812	0.5%
17	Gk Saxelby And Associates Pty Ltd	1,481,297	0.5%
18	MMM Directors' Holdings	1,167,000	0.4%
19	Vostok New Ventures (Cyprus) Limited	996,000	0.4%
20	BNP Paribas Nominees Pty Ltd Acf Clearstream	965,221	0.3%
	Total	247,967,759	87.3%
	Grand total	284,051,000	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

1,051 employee share options held by 619 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 2021 and 31 December 2021, the Company used its cash and assets readily convertible to cash in a way consistent with its business objectives set out in the 2020 Annual Report dated 24 February 2021, 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

4 Corporate Governance Statement

The Company's Corporate Governance Statement for the financial year 2021 is published separately from the management report on the Company's website: <https://ir.marleyspoon.com/investor-centre/>

GROUP CONSOLIDATED FINANCIAL STATEMENTS

1 Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR in thousands	Note	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant, and equipment	7.1	24,169	11,163
Right-of-use assets	7.2	24,512	9,878
Lease receivables	7.2	581	-
Intangible assets	7.3	8,796	4,939
Non-current financial assets	6.4	2,338	3,044
Total non-current assets		60,396	29,024
Current assets			
Inventories	7.5	9,384	6,570
Trade receivables	6.5	446	697
Other current financial assets	7.7	3,705	2,356
Cash and cash equivalents	6.6	38,659	34,438
Total current assets		52,194	44,061
Total assets		112,590	73,085
LIABILITIES AND EQUITY			
Lease liabilities	7.2	19,456	6,746
Interest bearing loans and borrowings – non-current	6.7	49,168	17,725
Derivative financial instruments – non-current	6.2	-	3,479
Non-current provisions	7.1	988	-
Total non-current liabilities		69,612	27,950
Current liabilities			
Trade and other payables	6.8	27,574	17,472
Derivative financial instruments	6.2	70	215
Contract liabilities	7.8	3,610	944
Interest bearing loans and borrowings - current	6.7	7,349	3,433
Lease liabilities – current	7.2	7,666	4,591
Other financial liabilities	6.9	11,424	7,864
Other non-financial liabilities	7.8	2,848	2,488
Total current liabilities		60,541	37,008
Equity			
Share capital	8.1	284	256
Treasury stock	8.1	(1)	-
Capital reserve	8.1	250,268	229,671
Other reserves	8.2	7,507	6,166
Currency translation reserve	8.3	(1,637)	(550)
Accumulated net earnings (losses)		(272,692)	(226,485)
Equity attributable to equity holders of the parent		(16,271)	9,058
Non-controlling interests		(1,292)	(931)
Total equity		(17,563)	8,127
Total liabilities and equity		112,590	73,085

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in thousands	Note	2021	2020
Revenue	3	322,393	254,033
Cost of goods sold	4.1	(173,301)	(133,287)
Gross profit		149,092	120,746
Fulfilment expenses	4.1	(57,307)	(46,601)
Marketing expenses	4.1	(71,236)	(39,294)
General & administrative expenses	4.1	(63,964)	(42,279)
Earnings before interest & taxes (EBIT)		(43,415)	(7,428)
Financing income	4.2	2,828	64
Financing expenses	4.2	(6,000)	(7,450)
Derivative instruments	4.2	146	(71,414)
Earnings before taxes (EBT)		(46,441)	(86,229)
Income tax expenses	5	(127)	(140)
Loss for the year		(46,568)	(86,369)
Net income / (loss) for the year attributed to:			
Equity holders of the parent		(46,207)	(86,239)
Non-controlling interest		(361)	(130)
Other comprehensive income / (loss) for the year			
Items that may be subsequently reclassified to profit or loss	8.3	(1,087)	(567)
Foreign exchange effects		(1,087)	(567)
Total comprehensive income / (loss) for the year		(47,655)	(86,936)
Total comprehensive income attributable to:			
Equity holders of the parent		(47,294)	(86,806)
Non-controlling interests		(361)	(130)
Basic earnings per share	14	(0.17)	(0.46)
Diluted earnings per share	14	(0.17)	(0.44)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2021

EUR in thousands	Attributable to Owners of the Parent							Total	Attributable NCI	Equity
	Note	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserve			
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 employee 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 CHANGES IN EQUITY 2020

EUR in thousands	Attributable to Owners of the Parent							Total	Attributable NCI	Equity
	Note	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserve			
Balance as at 1 January 2020		159	-	99,417	5,736	(140,246)	17	(34,916)	(800)	(35,715)
Net income / (loss) for the period		-	-	-	-	(86,239)	-	(86,239)	(130)	(86,369)
Other comprehensive income (loss)		-	-	-	-	-	(567)	(567)	-	(567)
Total comprehensive income		159	-	99,417	5,736	(86,239)	(550)	(86,806)	(931)	(86,936)
Issuance of share capital	8.1	33	-	43,785	-	-	-	43,818	-	43,818
Conversion of bonds	8.1	55	-	72,661	-	-	-	72,716	-	72,716
Exercise of warrants	8.1	9	-	15,965	-	-	-	15,974	-	15,974
Receipt of shares for employee option exercise	8.1	-	(2)	1,667	-	-	-	1,667	-	1,667
Shares transferred to employees	8.1	-	2	(1,667)	-	-	-	(1,667)	-	(1,667)
Cash on exercise of employee options	8.1	-	-	119	-	-	-	119	-	119
Employee share-based payment expense	8.2	-	-	-	-	-	-	430	-	430
Transaction costs for issuance of shares		-	-	(2,276)	430	-	-	(2,276)	-	(2,276)
Balance as at 31 December 2020		256	-	229,671	6,166	(226,485)	(550)	9,058	(931)	8,127



CONSOLIDATED STATEMENT OF CASH FLOWS

EUR in thousands	Note	2021	2020
Operating activities			
Net income for the period (loss)		(46,568)	(86,369)
Adjustments for:			
Depreciation of property, plant, and equipment	7.1	2,312	1,227
Loss on disposals of property, plant and equipment	7.1	926	-
Gain on contract extinguishment	4.2	(2,562)	-
Gain on finance lease receivables	7.2	(133)	-
Depreciation of right-of-use assets	7.2	4,879	3,510
Amortization of intangible assets	7.3	1,968	1,755
Increase (decrease) in share-based payments	8.2	1,341	430
Financing income and expense	4.2	5,466	78,801
Tax expense (non-cash)	5	15	-
Other non-cash movements		1,101	182
Working capital adjustments:			
Decrease (increase) in inventory	7.5	(2,814)	(2,834)
Increase (decrease) in accounts payable and accrued expenses	6.8/6.9	13,535	7,466
Decrease (increase) receivables	6.5	(869)	(175)
Increase (decrease) in other assets and liabilities	6.4/7.7/7.8	6,476	413
Net cash flows from operating activities		(14,927)	4,407
Investing activities			
Purchase of property, plant, and equipment	7.1	(15,708)	(5,234)
Purchase/development of intangible assets	7.3	(5,822)	(3,333)
Net cash flows used in investing activities		(21,530)	(8,568)
Financing activities			
Proceeds from the issuance of share capital	8.1	-	43,827
Proceeds from exercise of warrants	8.1	-	2,013
Proceeds from employee option exercise	8.1	212	119
Transaction costs from the issuance of share capital	8.1	(75)	(2,276)
Proceeds from borrowings	6.7	54,603	3,464
Transaction cost of borrowings	6.7	(1,313)	(474)
Interest paid	6.7	(1,679)	(749)
Repayment of borrowings	6.7	(3,714)	(7,563)
Lease payments	7.2	(6,441)	(4,668)
Net cash flows from/ (used in) financing activities		41,593	33,694
Net increase (decrease) in cash and cash equivalents		5,136	29,533
Net foreign exchange difference		(915)	(527)
Cash and cash equivalents as at 1 January		34,438	5,433
Cash and cash equivalents as at 31 December		38,659	34,438

How numbers are calculated

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the group, including:

Description of the business and segment information

Revenue

Other income and expense items

Income tax expense

Financial assets and liabilities

Non-financial assets and liabilities

Equity

Critical estimates and judgments

Financial risk management

Capital management

Group structure

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 original recipes along with the necessary fresh, high-quality, seasonal ingredients directly to customers for them to prepare, cook, and enjoy. Customers can choose which recipes they would like to receive in a given week, and receive the pre-portioned ingredients delivered to their doorstep by third-party logistics partners.

The Company is registered in the commercial register of Charlottenburg (Berlin) under HR B 195994B. 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 in three operating segments, Australia (AU), Europe (EU), and the United States of America (US), which are comprised of eight countries in which Marley Spoon meal kits are sold to consumers (Australia (AU), Austria (EU), Belgium (EU), Denmark (EU), Germany (EU), the Netherlands (EU), Sweden (EU) and the United States of America (US)). Two additional legal entities are established, one in Portugal in which Marley Spoon’s customer care operations are based, and a second in the United Kingdom for certain Marley Spoon’s staff.

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 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 allocated on a reasonable basis.

The accounting policies of the operating segments are the same as those described in note 16 (“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. The accounting policies of the operating segments are the same as those described in note 16 (“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. The Group’s CODM reviews the segment as per the region. 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.

EUR in thousands	2021						
	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 & royalties	(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)

EUR in thousands	2020						
	USA	Australia	Europe	Total	Holdings	Conso	Group
Total revenue	127,220	85,981	40,832	254,033	19,572	(19,572)	254,033
Internal revenue	-	-	-	-	19,572	(19,572)	-
External revenue	127,220	85,981	40,832	254,033	-	-	254,033
Contribution margin ¹	32,695	31,358	10,093	74,146	19,572	(19,572)	74,146
Operating EBITDA	4,084	9,713	(14,303)	(506)	-	-	(506)
Internal charges & royalty	(7,380)	(4,502)	(2,640)	(14,523)	-	14,523	-
Special items ²	-	-	(430)	(430)	-	-	(430)
Depreciation and amortization	(2,688)	(1,504)	(2,300)	(6,492)	-	-	(6,492)
EBIT	(5,985)	3,707	(19,673)	(21,951)	-	14,523	(7,428)
Intercompany interest	(3,125)	(1,024)	(900)	(5,049)	-	5,049	-
Interest on lease liabilities	(1,188)	(127)	(448)	(1,763)	-	-	(1,763)
External financing costs	(1,433)	108	(4,299)	(5,624)	-	-	(5,624)
Fair value changes derivative financial instruments	-	(187)	-	(187)	(71,226)	-	(71,414)
Earnings before tax	(11,731)	2,477	(25,320)	(34,575)	(71,226)	19,572	(86,229)

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

² Special items consist of the following items: Employee Stock Option Program (ESOP) including exercise expenses EUR 1,341 thousand (2020: EUR 430 thousand), and expenses related to legal and other services incurred in connection with M&A transactions EUR 322 thousand (2020: 0).

The 2021 revenues generated within Germany amounted to EUR 23,045 thousand (2020: EUR 15,355 thousand). Revenues from 2021 for all other countries amounted to EUR 299,347 thousand (2020: EUR 238,678 thousand). The Group recognizes its segments based on geographical region. The United States of America and Australia 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 producers directly with the customer. Ingredients can be purchased just-in-time, are packed in temperature conditioned manufacturing centers, and are delivered from there 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 inter-company 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

EUR in thousands	2021			
	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

EUR in thousands	2020			
	Cost of Goods Sold	Fulfilment Expense	Marketing Expense	General & Administrative
Raw materials and direct fulfillment costs	107,754	46,601	-	-
Other operating expense	-	-	35,870	15,226
Depreciation and amortization	3,706	-	-	2,786
Employee benefits expenses				
Wages and salaries	20,130	-	3,158	21,946
Social security costs	762	-	119	848
Defined contribution plan expenses	936	-	147	1,042
Share-based payment expense	-	-	-	430
Total	133,287	46,601	39,294	42,279

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 on the Group's earnings before tax.

The Company extinguished a liability in its Australian subsidiary in 2021 by mutual agreement. The difference between the carrying amount of the liability extinguished and the consideration paid was recognized in the statement of profit or loss as financing income

EUR in thousands	2021	2020
Interest earned on bank balances	88	31
Currency translation gains (losses)	178	33
Contract extinguishment	2,562	-
Financing income	2,828	64

EUR in thousands	2021	2020
Bank fees & other expenses	(247)	-
Nominal interest expense on borrowings	(3,104)	(1,707)
Interest on lease liabilities	(2,552)	(1,763)
Retirement cost on borrowings	-	(474)
Effects of effective interest method on borrowings	(97)	(3,506)
Financing expense	(6,000)	(7,450)

EUR in thousands	2021	2020
Derivative financial instrument changes in fair value	146	(71,414)
Derivative instrument	146	(71,414)

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 and non-deductible items. It also explains significant estimates made in relation to the Group's tax position and effective tax rate.

EUR in thousands	2021	2020
Current tax expense	(127)	(140)
Deferred tax	-	-

EUR in thousands	2021	2020
EBT	(46,441)	(86,229)
Tax calculation at domestic tax rates applicable to results in the respective jurisdiction	11,056	25,140
Tax impact of non-deductible expenses		
Share-based payment expense	403	129
Fair value adjustments derivatives	8	21,037
Other	67	(183)
Taxes for prior years	(81)	(114)
Unrecognized tax losses for the year	10,532	4,131
Income tax benefit (expense) for the year	(127)	(140)
Effective tax rate	-%	-%

The weighted average applicable tax rate for the year ended 31 December 2021 was 23.8% (2020: 29.2%) 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 2021	31 December 2020
Financial assets measured at amortized cost			
Non-current financial assets	6.4	2,338	3,044
Trade and other receivables	6.5	446	697
Total		2,784	3,741

Financial liabilities (EUR in thousands)	Notes	31 December 2021	31 December 2020
Financial liabilities measured at amortized cost			
Borrowings (current & non-current)	6.7	56,517	21,157
Trade and other payables	6.8	27,574	17,472
Other financial liabilities	6.9	11,424	7,864
		95,515	46,493
Financial liabilities measured at fair value			
Derivative financial instruments	6.2	70	3,694
Total		95,585	50,187

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)	2021	2020
Financial assets measured at amortized cost	88	31
Financial liabilities measured at amortized cost	(3,260)	(7,417)
Financial liabilities measured at fair value through profit and loss	146	(71,414)
Total	(3,026)	(78,801)

6.2 Derivative financial instruments

The derivative financial instruments break down as follows:

EUR in thousands	31 December 2021	31 December 2020
Forward derivatives	70	215
Derivative financial instruments – current	70	215
Convertible right on the bonds	-	3,479
Derivative financial instruments – non-current	-	3,479
Balance as at 31 December	70	3,694

Forward derivative

The derivative financial instruments also 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:

- in the principal market for the asset or liability or
- 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 2021		31 December 2020	
Financial assets		Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Other non-current financial assets	6.4	n/a	2,338	2,338	3,044	3,044
Trade and other receivables	6.5	n/a	446	446	697	697
Cash and cash equivalents	6.6	n/a	38,659	38,659	34,438	34,438
Total			41,443	41,443	38,180	38,180
Financial liabilities		Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Borrowings (current & non-current)	6.7	n/a	56,517	56,517	21,158	21,158
Trade and other payables	6.8	n/a	27,574	27,574	17,472	17,472
Forward	6.2	2	70	70	215	215
Derivative financial instruments (non-current)	6.2	3	-	-	3,479	3,479
Other financial liabilities	6.9	n/a	11,424	11,424	7,864	7,864
Total			95,585	95,585	50,189	50,189

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.

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

EUR in thousands	2020	
	Convertible Options	Warrant
Balance as at 1 January	(2,521)	(6)
Issuances	(927)	(929)
Gains / (losses) included in profit & loss		
Net change in the fair value	(57,308)	(13,017)
Transfers	57,277	13,952
Balance as at 31 December	(3,479)	-

For those financial assets and liabilities held at fair value at the end of 31 December 2020, a negative effect of EUR (56,870) thousand was included in financing income in the Statement of Comprehensive Income which was attributable to financial instruments that were already exercised during the period.

Financial assets

6.4 Non-current financial assets

Other non-current financial assets are mainly driven by security deposits for leased properties and bank guarantees. These deposits are subject to contractual restrictions and are therefore not available for general use by the Group and decreased from EUR 3,044 thousand at the end of 2020 to EUR 2,338 thousand on December 31, 2021.

EUR in thousands	31 December 2021	31 December 2020
Other non-current financial assets	2,338	3,044

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 10.2.

EUR in thousands	31 December 2021	31 December 2020
Trade and other receivables	446	697

The Group has EUR 14 thousand receivables against related parties. The Group has not recorded an allowance for uncollectible amounts collected by payment service providers, except for one specific payment method in the Netherlands, which charge customers 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 2021	31 December 2020
Cash at banks	38,659	34,438

The above figures reconcile to the amount of cash shown in the Statement of Cash Flows at the end of the financial year. Of the EUR 38,659 thousand balance as 31 December 2021, EUR 7,166 thousand are restricted for use solely to fund the purchase price due in connection with the Chefgood acquisition (note 17), pay transaction fees, costs and expenses related to the acquisition and make capital expenditures in connection with the transaction.

Financial liabilities

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 2021	Proceeds from borrowings	Derivative instruments	Repayments of borrowings	Conversion of bonds	Accrued interest and fees	Effects of effective interest method on borrowings	Retirement cost	Transactions costs	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	56,517

EUR in thousands	Opening Balance 1 January 2020	Proceeds from borrowings	Derivative instruments	Repayments of borrowings	Conversion of bonds	Accrued interest and fees	Effects of effective interest method on borrowings	Retirement cost	Transactions costs	Exchange rate differences	Closing Balance 31 December 2020
BVB	2,500	-	-	-	-	-	-	-	-	-	2,500
USV I	6,689	-	-	-	(8,536)	56	1,791	-	-	-	-
Acacia I	1,424	-	-	-	(1,773)	58	290	-	-	-	-
WOW I	14,322	-	-	-	(1,425)	331	802	-	-	-	14,030
USV II	1,799	-	-	-	(2,133)	23	311	-	-	-	-
WOW II	2,321	-	-	-	-	44	147	-	-	-	2,512
WTI	6,459	-	-	(6,824)	-	-	-	474	199	(308)	-
USV III	-	2,267	(927)	-	(1,573)	69	164	-	-	-	-
AU asset financing	1,557	1,097	-	(666)	-	-	-	-	-	29	2,017
Loan 4 ¹	67	100	-	(68)	-	-	-	-	-	-	98
Other	4	-	-	(4)	-	-	-	-	-	-	-
Total	37,141	3,464	(927)	(7,563)	(15,439)	581	3,506	474	199	(279)	21,157

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 2021.

Cash paid for interest expense in 2021 was EUR 1,679 thousand. The effective interest rate effect (EIR) is EUR 31 thousand in 2021. The Group's total borrowing of EUR 56,517 thousand (2020: EUR 21,157 thousand) is comprised of the following arrangements:

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 €5M loan, bearing 5% interest which will mature in March 2022.

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.

AU asset financing

Asset financing agreement with National Australia Bank

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 Ltd. (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.

Runway

USD 73,100 thousand credit facility with Runway Growth Capital

Effective 30 June 2021 the Company signed and closed a committed senior secured credit facility of four years with Runway Growth Credit Fund Inc. 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 has the right to draw until 30 June 2022, subject to being in compliance with the Facility agreement, and the *Supplemental Term Loan* a further USD 20 thousand available to be drawn through to 30 June 2022. Access to the *Supplemental Term Loan* is 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. The interest rate on the facility is comprised of a variable interest rate of 8.5% over the three-month LIBOR, subject to a LIBOR floor of 0.50%, and a fixed interest rate of 1.25% p.a. paid 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 requisite to access the *Supplemental Term Loan* (undrawn USD 20,000 thousand (EUR 19,295 thousand)), which remains undrawn as at 31 December 2021.

Acacia I

USD 2,276 thousand convertible bonds with Acacia

On 22 March 2019, the Company issued to two unsecured funds administered by Conifer Management, LLC (Acacia) two convertible bonds (*Wandelschuldverschreibungen*) in the aggregate amount of USD 2,276 thousand (Acacia bonds) against contribution in cash (*Bareinlage*). Until Acacia exercised their rights to convert Acacia bonds, the following terms applied: the Acacia bonds have a term of 3 years from the issue date. They bear interest in the amount of USD LIBOR + 5% p.a. payable at the end of the term unless Acacia exercises its right to convert the Acacia bonds into securities in the Company. On 13 November 2020, Acacia exercised their rights to convert the Acacia bonds. The Company issued a total of 6,414 shares / 6,414,000 CDIs.

USV I

USD 11,400 thousand convertible bonds with Union Square Ventures

On 22 March 2019, the Company issued to USV two unsecured convertible bonds (*Wandelschuldverschreibungen*), one in the amount of USD 10,888,140 (USV I A bond) and one in the amount of USD 511,860 (USV I B bond, and together with the USV I A bond, USV I bonds) against contribution in kind (*Sacheinlage*). Until USV exercised their rights to convert USV I bonds, the following terms applied: The USV I bonds have a term of 3 years from the issue date. They bear interest in the amount of USD LIBOR + 5% p.a. payable at the end of the term, unless USV exercises its right to convert the USV I bonds into securities in the Company. On 13 November 2020, USV exercised their rights to convert USV I bonds. The Company issued a total of 32,127 shares / 32,127 thousand CDIs.

USV II

USD 2,776 thousand commercial loan with Union Square Ventures

Effective as of 25 September 2019, the Company and USV entered into another commercial loan agreement, this time in the aggregate amount of USD 2,776 thousand (USV CLA II). On 29 January 2020, the Company exercised its right to substitute USV CLA II by issuing to USV two convertible bonds (*Wandelschuldverschreibungen*) in the aggregate amount of USD 2,776 thousand. These convertible bonds were issued against the repayment and other claims under the USV CLA II being contribution in kind (*Sacheinlage*) into the Company. Consequently, the USV CLA II was fully repaid and ceased to exist on 29 January 2020.

USD 2,776 thousand convertible bonds with Union Square Ventures

On 29 February 2020, the Company issued to USV two unsecured convertible bonds (*Wandelschuldverschreibungen*), one in the amount of USD 2,651,892 (USV Marley Spoon A, LLC) and one in the amount of USD 124,594 (USV Marley Spoon B, LLC) against contribution in kind (*Sacheinlage*). Until USV exercised their rights to convert USV I bonds, the following terms applied: The USV II bonds had a term of 3 years from the issue date, and they are interest-bearing in the amount of USD LIBOR + 5% p.a. payable at the end of the term, unless USV exercised its right to convert the USV II bonds into securities in the Company. On 13 November 2020, USV exercised its right to convert, and the Company issued 8,421 shares / 8,421 thousand CDIs.

USV III

USD 2,500 thousand commercial loan with Union Square Ventures

Effective as of 29 January 2020, the Company and USV entered into another unsecured commercial loan agreement, this time in the aggregate amount of USD 2,500 thousand (USV CLA III). On 29 July 2020, the Company exercised its right to substitute USV CLA III by issuing to USV two convertible bonds (*Wandelschuldverschreibungen*) in the aggregate amount of USD 2,500 thousand. Consequently, the USV CLA III was fully repaid and ceased to exist on 29 July 2020.

USD 2,500 thousand convertible bonds with Union Square Ventures

On 29 July 2020, the Company issued to USV two unsecured convertible bonds (*Wandelschuldverschreibungen*), one in the amount of USD 2,387,750 (USV MS A) and one in the amount of USD 112,250 (USV MS B) against contribution in kind (*Sacheinlage*). Until USV exercised their rights to convert USV I bonds, the following terms applied: The USV III bonds had a term of 5 years from the issue date. They had a fixed interest rate of 12% p.a. payable at the end of the term, unless USV exercised its right to convert the USV III bonds into securities in the Company. On 13 November 2020, USV exercised its right to convert, and the Company issued 2,414 shares / 2,414 thousand CDIs.

WTI

USD 15,000 thousand senior secured loan with Western Technology Investment

Effective as of 20 November 2019, MMM Consumer Brands Inc. (formerly Marley Spoon Inc.), the US operating entity of the Group, as borrower and two funds administered by Western Technology Investment (WTI) as lenders entered into a senior secured loan agreement (WTI SLA) in the aggregate amount of USD 15,000 thousand. The term of the WTI SLA was 42 months. The interest rate was 12% p.a. plus a final payment amounting to 2.5% of the loan amounts funded. As additional consideration, the Company granted WTI certain warrants which the respective holder exercised on 7 September 2020 resulting in the issuance of an aggregate of 8,462 shares / 8,462,000 CDIs in the Company. Effective as of 13 November 2020, the Company retired its outstanding debt to WTI under this loan agreement.

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. The increase in the balance in 2021 of EUR 10,102 thousand was mainly driven by higher customer acquisition expenditures and production purchases in Q4 to support increased demand as compared to Q3.

EUR in thousands	31 December 2021	31 December 2020
Trade and other payables	27,574	17,472

6.9 Other financial liabilities

Other current financial liabilities are associated with payroll accruals and accrued costs for which the goods or service have been obtained, but the Group has not obtained the respective invoices.

EUR in thousands	31 December 2021	31 December 2020
Other financial liabilities	11,424	7,864

The Company extinguished a contract liability in its Australian subsidiary in 2021 by mutual agreement. The difference between the carrying amount of the financial liability extinguished and the consideration paid was recognized in the statement of profit or loss as financing income (note 4.2). The increase in the balance in 2021 of EUR 3,560 thousand was mainly driven by higher accrued expenses for deliveries received in Q4.

7 Non-financial assets and liabilities

This note provides information about the Group's 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	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

EUR in thousands	Plant and machinery	Furniture and office equipment	Assets under construction	Total
Year ended 31 December 2020				
Opening net book value	7,286	203	227	7,715
Exchange rate differences	(21)	8	7	(5)
Additions*	2,757	330	1,985	5,072
Disposals	(56)	(30)	(308)	(394)
Transfer of asset under construction	531	(6)	(525)	-
Depreciation charge	(1,034)	(192)	-	(1,227)
Closing net book value	9,464	311	1,387	11,163
As at 31 December 2020				
Cost	12,815	726	1,387	14,927
Accumulated depreciation	(3,350)	(414)	-	(3,765)
Net book value	9,464	311	1,387	11,163

* Additions include EUR 249 thousand (2020: EUR 277 thousand) unpaid additions as at 31 December 2021.

Leasehold improvements for offices and manufacturing 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).

During the year ended 31 December 2021, there was no identified impairment of property, plant, and equipment.

In 2021, the Group disposed of equipment which was discontinued from use during transition to two new fulfilment centers and the change in the Company's manufacturing practices in 2021, with a total net carrying amount of EUR 926 thousand for no cash consideration. The net losses on these disposals were general and administrative expenses in the statement of profit or loss.

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

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 the current year, 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 2021 the dismantling provisions are EUR 988 thousand (2020: 0).

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 lease term that ends within 12 months at 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 2019	11,421	1,011	12,432
Additions	1,026	521	1,546
Exchange rate impacts	(443)	(147)	(590)
Depreciation expense	(2,980)	(530)	(3,510)
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

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

	2021	2020
As at 1 January	11,337	13,335
Additions	18,575	1,536
Exchange rate	1,099	(629)
Interest expense	2,552	1,763
Payments	(6,441)	(4,668)
As at 31 December	27,122	11,337

The following are amounts recognized in profit or loss:

EUR in thousands	2021	2020
Depreciation expense of right-of-use assets	4,874	3,510
Interest expense on lease liabilities	2,552	1,763
Expense related to short-term leases	3,645	515
Expense related to leases of low-value assets	608	128
Total amount recognized in profit or loss	11,679	5,915

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). Right-of-use assets 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. Right-of-use 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 7,666 thousand based on agreed lease commitments during calendar year 2022. 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 2022.

Sublease receivables: 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 largest 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 187 thousand, with EUR 581 thousand receivable from 1 January 2023 through the remaining life of the lease.

7.3 Intangible assets

EUR in thousands	2021
Balance as at 1 January (net)	4,939
Additions	5,822
Exchange rate differences	3
Amortization charge	(1,968)
Closing book value (net)	8,796
As at 31 December	
Cost	13,559
Accumulated amortization	(4,763)
Net book value	8,796

Intangible assets are measured at their historical costs less accumulated amortization, impairment losses and reversal of impairment losses. Intangible assets, excluding environmental credits, are amortized on a straight-line basis over their expected useful life, which is between three and five years. If there is an indication of impairment, the intangible asset is tested for impairment. The 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 5,388 thousand was self-generated product development assets in the following projects: completion of NAV ERP roll-out in the US, investment in its global recipe and menu management tool, and recipe suggestion software. The Group also added additional features to its Customer Communication software, including the ability to track complaints within the same tool as other customer interactions.

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 2021, 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 2021		31 December 2020	
	DTA	DTL	DTA	DTL
Non-current assets				
Intangible assets	-	1,628	-	714
Right-of-use assets	-	6,673	-	2,707
Non-current liabilities				
Lease liability	7,322	-	3,029	-
Long term debt / derivative financial instruments	-	-	-	2,806

Tax loss carryforward (TLCF)	979	-	3,198	-
Total	8,301	8,301	6,227	6,227
Netting	(8,301)	(8,301)	(6,227)	(6,227)
Total after netting	-	-	-	-
DTA on temporary differences (not recognized)	-	-	-	-
DTA (not recognized) on TLCF	33,882	-	34,537	-

The total historical income tax losses (corporate and trade tax) accumulate to EUR 146,431 thousand as at 31 December 2021 (31 December 2020: EUR 129,419 thousand) resulting in a potential deferred tax asset of EUR 20,975 thousand as at 31 December 2021 (31 December 2020: EUR 34,537 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 2021 (2020: non-current).

7.5 Inventories

The inventory balance contains food, packaging and marketing items with a net balance of EUR 9,384 thousand (2020: EUR 6,570 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 2020 or 2021.

Inventories recognized as an expense during the year ended 31 December 2021 amounted to EUR 173,301 thousand (2020: EUR 133,287 thousand).

EUR in thousands	31 December 2021	31 December 2020
Raw material	9,384	6,570

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 8.2.1. 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 2021	31 December 2020
Other non-financial assets	3,705	2,356

7.8 Contract liabilities and other non-financial liabilities

Contract liabilities and other non-financial liabilities amounted to EUR 6,458 thousand as of December 31, 2021 (2020: EUR 3,432 thousand) and are related to contract liabilities, VAT, other tax and social security payables as well as vacation allowances.

EUR in thousands	31 December 2021	31 December 2020
Contract liabilities	3,610	944
Current other non-financial liabilities	2,848	2,488
Total	6,458	3,432

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.

7.9 Other disclosures according to German GAAP

Number of employees

The average headcount of the Group in the reporting period was 1,862 employees (2020: 1,273)

Auditors' fees

Principal auditors' fees recognized as an expense in the reporting period were EUR 349 thousand (2020: EUR 339 thousand) for audit, EUR 76 thousand for interim review (2020: EUR 41 thousand) and EUR 84 thousand (2020: EUR 91 thousand) for tax consultations.

8 Equity

8.1 Share capital and capital reserve

In thousands	Share Capital		Treasury Stock		Capital Reserve	Total
	Number of Shares	Nominal amount (EUR)	Number of Shares	Paid in (EUR)	Paid in (EUR)	(EUR)
As at 1 January 2020	159	159	-	-	99,417	99,576
Issuance of share capital	33	33	-	-	43,785	43,818
Conversion of bonds	55	55	-	-	72,661	72,716
Exercise of warrants	9	9	-	-	15,965	15,974
Transaction costs for issuance of shares	-	-	-	-	(2,276)	(2,276)
Receipt of shares for employee option exercise	-	-	(2)	(1,667)	1,667	-
Shares transferred to employees	-	-	2	1,667	(1,667)	-
Cash on exercise of share options	-	-	-	-	119	119
As at 31 December 2020	256	256	-	-	229,671	229,927
Conversion of bonds	28	28	-	-	20,455	20,483
Transaction costs for issuance of shares	-	-	-	-	(70)	(70)
Receipt of shares for employee option exercise	-	-	(6)	(6)	6	-
Shares transferred to employees	-	-	5	5	(5)	-
Cash on exercise of share options	-	-	-	-	212	212
As at 31 December 2021	284	284	(1)	(1)	250,268	250,551

As at 31 December 2021, the issued registered share capital is EUR 284,051 (2020: 256,025) in nominal shares. 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 250,268 thousand as at 31 December 2021 (2020: EUR 229,671 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, 2021 (2020: all issued and outstanding shares are fully paid).

During the 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 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 costs of the issuance of the shares have 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 8.2.1 for further details. For share options granted prior to the IPO of Marley Spoon (the ESOP plans), beneficiaries who exercised in 2021 and 2020 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 2021 added a total consideration of EUR 212 thousand in capital reserves (see note 8.2).

During the previous period

In 2020, 97,505 shares were issued. The issuances were attributed to two cash capital increases (*Barkapitalerhöhungen*), and the exercise of convertible rights on bonds and warrants in 2020.

Transaction costs attributable to issuance of shares (included in cash flows from financing activities, net of tax) stem from the issuance of share capital (33 shares), the conversion of bonds (55 shares) and the exercise of warrants (9 shares). The capital attributable costs of the issuance of the shares have been charged directly to equity as a reduction in share premium.

The Company's two cash capital increases, one in May 2020 (15,852 shares issued) and one in October 2020 (17,427 shares issued), resulted in recording a total consideration of EUR 43,785 thousand in capital reserves. 2020 conversions of bonds and exercise of warrants resulted in the issuance of 64,216 shares and a total consideration of EUR 88,690 thousand in capital reserves.

The exercise of stock options by employees in 2020 added a total consideration of EUR 119 thousand in capital reserves.

8.2 Other reserves / other share-based payments

The total costs of share-based payments in 2021 is EUR 1,341 thousand (2020: EUR 430 thousand) of which EUR 1,341 thousand is reflected in other reserves (2020: EUR 430 thousand).

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

The other reserves include a balance for the Employee Stock Option Program (ESOP) and the Stock Option Plan (SOP 2019, 2020 & 2021) 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 is accounted for as a modification. However, the replacement did not result in any incremental fair value to be recognized. As at 31 December 2021, all ESOP share options outstanding have an exercise price equal to EUR 0.00, except 8 share options (31 December 2020: 273 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 with vesting occurring 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 (see also note 8.2), 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).

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 options are granted without consideration of an exercise price. The fair value determined at the grant date is expensed on a graded vesting scheme, with a corresponding credit in equity.

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.

Activity in our stock option plans was as follows:

	Number of awards
Number of awards outstanding 31 December 2019	10,927
Thereof: exercisable/vested	6,695
Granted during 2020	6,255
Forfeited during 2020	(1,108)
Exercised during 2020	(2,161)
Expired 2020	-
Number of awards outstanding 31 December 2020	13,913
Thereof: exercisable/vested	6,391
Granted during 2021	6,714
Forfeited during 2021	(2,915)
Exercised during 2021	(5,614)
Expired 2021	(24)
Number of awards outstanding 31 December 2021	12,074
Thereof: exercisable/vested	4,842

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 determinates being the share price, risk-free rate and volatility. These accounting estimations have a significant influence on the valuation of the options.

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

Total expenses arising from share-based payments to employee programs (ESOP, and SOP grants in 2019, 2020 and 2021) recognized during the period were EUR 1,341 thousand (2020: EUR 430 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 16.3 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 2021 is EUR 1,637 thousand (December 31, 2020: EUR 550 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 as at 31 December 2021 and 31 December 2020 are disclosed in the list below, more specific details on the respective balances are included in the mentioned notes.

- Employee stock option program (note 8.2)
- Derivative financial instruments (note 6.2)
- IFRS 16 Leasing (notes 7.2)

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.

While the Company delivered a net income loss for 2021, that loss is substantially lower vs. our net income loss in full year 2020. Furthermore, based on the USD 65,000 thousand (EUR 57,390 thousand) external funding raised in June 2021 and a further USD 8,100 thousand (EUR 7,166 thousand) USD external funding secured in December 2021 (see also note 6.7), of which USD 20,000 thousand (EUR 19,265 thousand) remains available to draw-down in future periods, the Group has adequate resources to continue its operations for the foreseeable future.

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 risk, credit risk 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 or by leveraging the Group's extensive database of recipes to change the offerings for future recipes.

Sensitivities to direct materials price risk:

EUR in thousands	2021	2020
5% increase in material prices	(5,865)	(1,315)
5% decrease in material prices	5,865	1,315

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 nominated 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	2021	2020
(2020: 5.3%) 2.8% increase of the FX rate AUD / EUR	145	801
(2020: 5.3%) 2.8% decrease of the FX rate AUD / EUR	(145)	(801)
3% increase of the FX rate USD / EUR	1,352	-
3% decrease of the FX rate USD / EUR	(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 the market interest rates. The Group mostly has fixed interest rates on loans and has not entered into any derivative financial instruments to manage its interest rate risk. However, two loans have a variable interest rate based on the LIBOR. For those, the sensitivities to the interest rate risk is as follows:

EUR in thousands	2021	2020
1% increase in LIBOR	(461.2)	-
1% decrease in LIBOR	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 the exposure towards 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 2021	31 December 2020
Other non-current financial assets	2,338	3,044
Cash and cash equivalents	38,659	34,438
Total	40,997	37,482

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 2021				31 December 2020		
	PSP	Customers	Other	Total	PSP	Customers	Total
Europe	121	141	14 ¹	276	422	44	466
Australia	-	94	39 ²	133	18	-	18
USA	28	9	-	37	121	92	213
Total	149	244	53	446	561	136	697

¹ Receivables from related parties

² Rebate receivable due from a supplier on volume purchases

10.3 Liquidity risk

The 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 2021 the Group's current assets of EUR 52,194 thousand (2020: EUR 44,061 thousand) which is less than current liabilities of EUR 60,541 thousand (2020: EUR 37,008 thousand) by an amount of EUR 8,347 thousand, whereas in 2020 Group's current assets exceeded current liabilities by an amount of EUR 7,053 thousand. The Group's cash flow from operations in 2021 was a negative EUR 14,927 thousand (2020: positive EUR 4,407 thousand), and the Group held a cash position of EUR 38,659 thousand (2020: EUR 34,438 thousand) as at 31 December 2021.

The Company's non-current liabilities, which are mainly long-term borrowings, reached EUR 69,612 thousand in the year ended 31 December 2021 (2020: EUR 27,950 thousand).

Maturity analysis

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

EUR in thousands	31 December 2021			31 December 2020		
	1-3 months	4-12 months	1-5 years	1-3 months	4-12 months	1-5 years
Trade payables & other payables	27,574	-	-	17,472	-	-
Other financial liabilities	11,424	-	-	7,864	-	-
Borrowings	5,870	1,479	49,168	2,730	702	17,725
Derivative financial instrument	70	-	-	-	215	3,479
Total	44,938	1,479	49,168	28,066	917	21,204

11 Group structure

11.1 Subsidiaries

The Group's principal subsidiaries at 31 December 2021 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.

Name	Principal Activities	Country of Incorporation	% equity interest	
			2021	2020
Marley Spoon Pty Ltd.	Operations	Australia	100	100
Marley Spoon Finance Pty. Ltd.	Financing	Australia	100	100
Marley Spoon GmbH	Operations	Austria	100	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

Marley Spoon AG in its capacity as parent company of Marley Spoon Limited (company number 09189130 registered in England & Wales) issued a guarantee in favor of the subsidiary under the terms of Section 479A of the Companies Act 2006 with reference to financial year ended 31 December 2021 so that Marley Spoon Limited be exempted from auditing its financial statements.

11.2 Capital management

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

	31 December 2021	31 December 2020
Interest-bearing loans and borrowings	(56,517)	(21,158)
Trade and other payables	(27,574)	(17,472)
Less: cash & short-term deposits	38,861	34,438
Net debt	(45,230)	(4,192)

No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2021 and 2020.

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.

Other Information

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that are not immediately related to individual line items in the financial statements.

Related party transactions

Earnings per share

Assets pledged as security

Summary of significant accounting policies changes in accounting policies and disclosures

Events occurred after reporting table

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 2021. No entities have significant influence over the Group other than the one-vote-one-share structure as listed below:

Shareholder	CDIs	% IC
Conifer Capital Management/Acacia (New York)	48,368,423	17.03
Union Square Ventures (New York)	42,962,000	15.12
Perennial Value Mgt (Sydney)	31,784,837	11.19
Other security holders (under 10%)	160,935,740	56.66

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	2021	2020
Short-term employee benefits	756	487
Share-based payments	177	306
Total compensation¹	933	793

¹Mr. Weber was appointed to the Management Board effective 1 December 2021. His compensation prior to this point, including LTI earned 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, Ms. Kim Anderson and Mr. Roy Perticucci.

For the services as a member of the Supervisory Board during the financial year 2021, the base remuneration for all board members was EUR 50,620 (AUD 80,000). 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 44,293 (AUD 70,000) for the Chairman of the Supervisory Board, EUR 12,655 (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 2021.

During the Supervisory Board initial term (i.e., until the Company’s 2021 AGM), the following non-executive KMP received 50% of their base compensation in CDIs in the Company (calculated at the offer price of A\$ 1.42 per CDI and issued to the respective non-executive Director for a subscription price of €1.00) and the remainder in cash: Ms. Shiff, Ms. Anderson, 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 2021, the cash fees (including superannuation) paid to the current members of the Supervisory Board amount to approximately EUR 215,133 (AUD 335,931) in aggregate.

EUR in thousands	2021	2020
Short-term employee benefits	215	123
Share-based payments	-	-
Total compensation	215	123

13.3 Transactions with other related parties

Apart from the related party transactions disclosed in note 6.5, the Company had a transaction with several entities including Marley Spoon Employee Trust UG (MSET) and Marley Spoon Series A UG (haftungsbeschränkt) & Co. KG, 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 2020 and 2021, when employees exercised options in the ESOP, shares held by the other entities of Mr. Siegel were

transferred to the beneficiaries. As disclosed in the notice of meeting for the 2021 annual general meeting, Mr. Perticucci served as an independent consultant to the Company. His consultancy engagement ended with his election to the Supervisory Board on 11 June 2021.

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 year ended 31 December 2021 and 31 December 2020. The Group currently has shares held under trust pertaining to the ESOP that could, if not for the anti-dilutive effects, dilute basic earnings per share in the future.

	31 December 2021	31 December 2020
Loss for the year (EUR thousand)	(46,207)	(86,239)
Weighted average shares outstanding (WASO)	266,143	187,155
Basic loss per share (EUR thousand)	(0.17)	(0.46)
Diluted WASO	273,445	196,935
Diluted loss per share (EUR thousand)	(0.17)	(0.44)

15 Assets pledged as security

As at 31 December 2021, 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);
- 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 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.

16.1 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 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.

16.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. 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.

16.3 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 equity positions are translated at historical rates
- 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

16.4 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.

16.5 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 convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date on which the Group commits to purchase or 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 & loss (FVPL).

Financial liabilities at amortized costs are subsequently measured at amortized cost using the 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.

16.6 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.

16.7 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, and we will subsequently recognize finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment.

16.8 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 function 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 de-recognition 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.

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 it 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.

Refer to note 7.3 for details about amortization methods and useful lives used by the Group for intangible assets.

16.9 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.

16.10 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 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).

16.11 Provisions

Provisions for legal claims, service warranties and makegood 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.

16.12 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.

16.13 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. The contract liabilities primarily relate to the 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.

16.14 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.

16.15 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 and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established 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.

16.16 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 cash generating unit (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 16.10.

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 for management to withhold future lease payments.

16.17 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.

16.18 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.

16.19 Fulfillment expenses

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

16.20 Marketing expenses

Marketing expenses represent costs incurred to support 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.

16.21 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, consulting expenses, travel, rent, insurance, utilities, and other overhead costs.

16.22 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 2021. To the extent these financial statements have changed since the 2020 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.

17 Events occurred after the reporting period

Chefgood acquisition

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. The acquisition grants 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. As the acquisition closed on 4 January 2022, no amount for revenue or profit/loss for Chefgood is included in the consolidated financial statements of the Group.

The Company expects to pay up to EUR 13,300 thousand (AUD 21,000 thousand), with additional earn-outs of up to EUR 3,600 thousand (AUD 5,600 thousand) payable over the next 2.5 years, depending upon future financial performance of the acquired business. The transaction was partially funded by a EUR 7.2 million (USD 8.1 million) extension to the group's existing debt facility with Runway Growth Capital. The Company also has at its disposal for future purchase price payments the proceeds from a EUR 5 million equity placement with a long-term oriented European institutional investor, completed in January 2022.

Equity raise

On 18 January 2022, the Company executed a EUR 5,000 thousand (AUD 7,907 thousand) equity placement with a long-term oriented European institutional investor. The Company issued 7,907 new shares (7,907,000 CDIs) at A\$ 1.00 per CDI.

ESOP exercise

In January 2022 the Company transferred the exercised shares (see note 8.1) held as treasury stock to the beneficiaries. Any excess of the cash received from employees over the reduction in treasury shares is recorded in capital reserves.

The consolidated financial statements were authorized by the Management Board on 24 February 2022.

A handwritten signature in blue ink, appearing to read 'F. Siegel', with a stylized flourish at the end.

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

A handwritten signature in blue ink, appearing to read 'J. Bernstein', with a stylized flourish at the end.

Jennifer Bernstein
Chief Financial Officer, Member of the Management Board

A handwritten signature in blue ink, appearing to read 'R. Weber', with a stylized flourish at the end.

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.

Berlin, 24 February 2022



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 2021, 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 2021, 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 2021.

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 2021, and of its financial performance for the fiscal year from 1 January to 31 December 2021, 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 conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (ISA). Our responsibilities under those requirements and principles 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.

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 2021. 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 matters:

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 appropriate 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 16.17 „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 other components of the annual report, including:

- 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 management and the supervisory board for the consolidated financial statements and the group management report

The management is 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 management is 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 or error.

In preparing the consolidated financial statements, the management is 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 management is 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 management is 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) 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 for one 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 management's 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 management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the management 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, 24 February 2022

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Grummer

Wirtschaftsprüfer

[German Public Auditor]

Nasirifar

Wirtschaftsprüfer

[German Public Auditor]