MARLEY SPOON

Appendix 4D, Directors' Report and Condensed Consolidated Interim Financial Statements For the Half-Year Ended 30 June 2022

Financial statements for the half-year ended 30 June 2022

Results for announcement to the market

Marley Spoon AG's ("Marley Spoon" or "the Company") and its subsidiaries' (together "the Group") consolidated results for the six months ended 30 June 2022 with the comparative period being the six months ended 30 June 2021, are detailed below:

	2022 EUR thousands	2021 EUR thousands	Change EUR thousands	Change %
Revenue	211,758	158,043	53,715	34%
Net profit / (loss) after tax attributable to members	(26,962)	(20,998)	(5,964)	28%

Dividends

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

Net tangible assets per share

	30 June 2022 EUR	30 June 2021 EUR
Net tangible assets per ordinary share[1]	(2.30)	(69.86)

[1] Chess Depositary Interests (CDIs) are publicly traded on the ASX. For the period ended 30 June 2021 1,000 CDIs are equivalent to one share in the Company. For the period ended 30 June 2022 10 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 30 June 2022 of 29,195,800 shares and as at 30 June 2021 of 256,025 shares.

Other

This information should be read in conjunction with the 2021 Annual Report.

Additional Appendix 4D disclosure requirements and further information, including commentary on significant features of the operating performance, results of segments can be found in the attached Directors' Report and the consolidated financial statements for the half-year ended 30 June 2022.

This report is based on the consolidated 2022 half-year financial statements which have been reviewed by Ernst & Young.

Marley Spoon AG Directors' Report

The executive directors (*Vorstandsmitglieder*) and members of the Management Board (together the "Directors") present their report ("Directors' Report") together with the Condensed Consolidated Interim Financial Statements for the half-year ended 30 June 2022 and the Independent Auditor's Review Report thereon.

Supervisory Board and Management Board

The members of the Supervisory Board (*Aufsichtsrat*) and the Management Board (*Vorstand*) of Marley Spoon AG at any time during or since the end of the half-year are as follows:

Supervisory Board (*Aufsichtsrat*)

Name	**Period of Directorship**
Deena Shiff, Chairperson	Current, reappointed 11 June 2021
Robin Low	Current, reappointed 11 June 2021
Kim Anderson	Current, reappointed 11 June 2021
Roy Perticucci	Current, appointed 11 June 2021

Ms. Kim Anderson has notified the Company of her intention to retire from her positions effective as of 19 August 2022 to pursue other interests. She will be succeeded by Mr. Christian Gisy who will join as independent, Non-Executive Director, effective on or after 19 August 2022. Mr. Gisy will also succeed Ms. Anderson as the Chair of the Nominations and Remuneration Committee.

Management Board (*Vorstand*)

Name	**Period of Directorship**
Fabian Siegel, Chief Executive Officer, Chairman & Founder	Current, re-appointed 4 December 2020
Jennifer Bernstein, Chief Financial Officer	Current, appointed 26 October 2020
Rolf Weber	Current, appointed 1 December 2021

Review and results of operations

Marley Spoon delivered solid topline for the first half of 2022 at 34% net revenue growth versus the prior corresponding period (PCP). This growth was driven by Australia (+53%) and the United States (+40%), both of which benefited from an increase in active subscribers and basket size. Europe was down 11% vs. the PCP driven by reduced order frequency in a market environment of lower consumer confidence and overall slowdown of e-commerce activities. Contribution Margin in H1 2022 was 27.2%, consistent with the PCP. Operational efficiencies and pricing helped offset the high inflation the Company saw across food ingredients and fuel in all regions. However, further margin expansion was impacted by the ongoing external supply chain issues seen in Australia, particularly substitutions due to lack of availability or poor quality with widespread flood effects.

Highlights:

- H1 2022 revenue rose to €212m, +34% versus the PCP. This growth was achieved with a solid improvement in active subscribers which hit 309,000 at the end of Q2 2022, +13% versus the PCP, and growth in basket size +23% versus the PCP.
- Global Contribution Margin (CM) landed at 27.2%, consistent with the PCP, alongside Operating Contribution Margin, defined as CM excluding the impacts of marketing vouchers and fixed costs such

as expenses related to site leases, which also held flat vs. the PCP, despite a highly inflationary environment.

- Marketing expenses receded to 19.2% of revenue, compared to 20.4% in the PCP, in line with the Company’s planned sequential reduction in marketing spend in Q2 2022.
- Global operating EBITDA of €(12.7m), an improvement on the €(14.8m) in H1 2021, was driven by cost discipline and scale as well as profitability in US and Australia.

The Company continued to deliver growth and operate with stable margins despite a highly inflationary and volatile operating environment. The Company delivered on its three-tier growth strategy to 1) grow active subscribers at good unit economics, 2) expand average order value by increasing menu choice, offering add-ons via the new ‘Market’ initiative and executing price increases, and 3) integrating the acquired ready-to-heat Chefgood business in Australia.

Consolidated Statement of Financial Position

EUR in thousands	Note	30 June 2022	31 December 2021
ASSETS			
Non-current Assets			
Property, plant, and equipment	8	27,526	24,169
Right-of-use assets	9	25,002	24,512
Lease receivables		712	581
Intangible assets	10	15,284	8,796
Goodwill	17	9,890	-
Non-current financial assets		2,563	2,338
Total non-current assets		**80,977**	**60,396**
Current Assets			
Inventories		12,620	9,384
Trade receivables	7	1,146	446
Other current financial assets		3,241	3,705
Cash and cash equivalents		29,249	38,659
Total Current Assets		**46,256**	**52,194**
Total Assets		**127,233**	**112,590**
LIABILITIES AND EQUITY			
Lease liabilities	9	19,928	19,456
Interest bearing loans and borrowings – non-current	11	72,511	49,168
Non-current provisions		7,966	988
Total non-current liabilities		**100,405**	**69,612**
Current liabilities			
Trade and other payables	7	31,478	27,574
Derivative financial instruments	7.3	104	70
Contract liabilities		3,696	3,610
Interest bearing loans and borrowings – current	11	6,974	7,349
Lease liabilities – current	9	8,320	7,666
Other financial liabilities	16	13,835	11,424
Other non-financial liabilities		2,922	2,848
Deferred tax liabilities	17	1,452	-
Total Current Liabilities		**68,781**	**60,541**
Equity			
Share capital	15	29,196	284
Treasury stock		-	(1)
Capital reserve	15	226,333	250,268
Other reserves		8,182	7,507
Currency translation reserve		(4,540)	(1,637)
Accumulated net earnings (losses)		(299,654)	(272,692)
Equity attributable to equity holders of the parent		**(40,483)**	**(16,271)**
Non-controlling interests		(1,470)	(1,292)
Total Equity		**(41,953)**	**(17,563)**
Total Liabilities and Equity		**127,233**	**112,590**

Consolidated Statement of Comprehensive Income

		For the six months ended	
EUR in thousands	Note	30 June 2022	30 June 2021
Revenue	5	**211,758**	**158,043**
Cost of goods sold		(116,146)	(85,939)
Gross profit		**95,612**	**72,104**
Fulfilment expenses		(37,945)	(28,921)
Marketing expenses		(40,647)	(32,313)
General & administrative expenses		(38,179)	(30,143)
Earnings before interest & taxes (EBIT)		**(21,159)**	**(19,273)**
Financing income	12	30	-
Financing expenses	12	(5,923)	(1,723)
Derivative instruments	12	(32)	220
Earnings before taxes (EBT)		**(27,084)**	**(20,777)**
Income tax expenses	6	(56)	(335)
Loss for the year		**(27,140)**	**(21,112)**
Net loss for the year attributed to:			
Equity holders of the parent		(26,962)	(20,997)
Non-controlling interest		(178)	(115)
Other comprehensive loss for the year			
Items that may be subsequently reclassified to profit or loss		**(2,903)**	**122**
Foreign exchange effects		(2,903)	122
Total comprehensive loss for the year, net of tax		**(30,043)**	**(20,990)**
Total comprehensive loss attributable to:			
Equity holders of the parent		(29,856)	(20,875)
Non-controlling interests		(178)	(115)
Basic earnings per share		(0.01)	(0.08)
Diluted earnings per share		(0.01)	(0.08)

Consolidated Statement of Changes in Equity

EUR in thousands	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings/ (Losses)	Currency Translation Reserve	Total	Attributable NCI	Total Equity
Balance as at 1 January 2022	**284**	**(1)**	**250,268**	**7,507**	**(272,692)**	**(1,637)**	**(16,271)**	**(1,292)**	**(17,563)**
Net loss for the period	-	-	-	-	(26,962)	-	(26,962)	(178)	(27,140)
Other comprehensive loss	-	-	-	-	-	(2,903)	(2,903)	-	(2,903)
Total Comprehensive loss	**-**	**-**	**-**	**-**	**(26,962)**	**(2,903)**	**(29,865)**	**(178)**	**(30,043)**
Issuance of share capital	8	-	4,992	-	-	-	5,000	-	5,000
Receipt of shares for employee option exercise	-		243	-	-	-	243	-	243
Shares transferred to employees	-	1	(253)	-	-	-	(252)	-	(252)
Cash on exercise of employee options	-	-	-	70	-	-	70	-	70
Employee share-based payment expense (note 14)	-	-	-	605	-	-	605	-	605
Transaction costs for issuance of shares	-	-	(13)	-	-	-	(13)	-	(13)
Increase of share capital from company funds (note 15)	28,904	-	(28,904)	-	-	-	-	-	-
Balance as at 30 June 2022	**29,196**	-	**226,333**	**8,182**	**(299,654)**	**(4,540)**	**(40,483)**	**(1,470)**	**(41,953)**

EUR in thousands	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserve	Total	Attributable NCI	Total Equity
Balance as at 1 January 2021	**256**	**-**	**229,671**	**6,166**	**(226,485)**	**(550)**	**9,058**	**(930)**	**8,127**
Net loss for the period	-	-	-	-	(20,997)	**-**	(20,997)	(115)	(21,112)
Other comprehensive loss	-	-	-	-	-	122	122	-	122
Total Comprehensive loss	**-**	**-**	**-**	**-**	**(20,997)**	**122**	**(20,875)**	**(115)**	**(20,990)**
Receipt of shares for employee option exercise	-	(2)	2,958	-	-	-	2,956	-	2,956
Shares transferred to employees	-	2	(2,856)	-	-	-	(2,854)	-	(2,854)
Cash on exercise of employee options	-	-	1	-	-	-	1	-	1
Employee share-based payment expense	-	-	-	649	-	-	649	-	649
Transaction costs for issuance of shares	-	-	(39)	-	-	-	(39)	-	(39)
Balance as at 30 June 2021	**256**	**-**	**229,735**	**6,815**	**(247,482)**	**(428)**	**(11,104)**	**(1,045)**	**(12,149)**

Consolidated Statement of Cash Flows

EUR in thousands	Note	For the six months ended 30 June 2022	30 June 2021
Operating activities			
Net income (loss) for the period		**(27,140)**	**(21,112)**
Adjustments for:			
Depreciation of property, plant, and equipment		2,018	717
Depreciation of right-of-use assets		3,138	2,112
Amortization of intangible assets		1,629	834
Loss on disposal of property, plant, and equipment		47	443
Increase (decrease) in share-based payments		675	649
Financing income and expense		5,958	1,503
Bad debt expense		161	-
Tax paid		(70)	(335)
Other non-cash movements		1,423	(128)
Working capital adjustments:			
Decrease (increase) in inventory		(3,236)	(1,014)
Increase (decrease) in accounts payable and accrued expenses		6,314	13,643
Decrease (increase) in receivables		(291)	(491)
Increase (decrease) in other assets and liabilities		(1)	961
Net cash flows from operating activities		**(9,375)**	**(2,218)**
Investing activities			
Purchase of property, plant, and equipment	8	(2,781)	(10,060)
Purchase/development of intangible assets	10	(3,415)	(1,626)
Acquisition of Chefgood, net of cash acquired	17	(6,196)	-
Sale of equipment		20	-
Net cash flows used in investing activities		**(12,372)**	**(11,686)**
Financing activities			
Proceeds from the issuance of share capital		5,000	-
Proceeds from employee option exercise		40	1,735
Costs from the issuance of share capital		(64)	(39)
Proceeds from borrowings	11	24,255	30,829
Cost from borrowings	11	(199)	(1,152)
Interest paid	11	(2,663)	(55)
Repayment of borrowings	11	(5,926)	(3,004)
Lease payments	9	(4,301)	(2,640)
Net cash flows from/ (used in) financing activities		**16,142**	**25,674**
Net increase (decrease) in cash and cash equivalents		(5,606)	11,770
Net foreign exchange difference		(3,805)	108
Cash and cash equivalents as at 1 January		**38,659**	**34,438**
Cash and cash equivalents as at 30 June		**29,249**	**46,316**

Selected Explanatory Notes to the Condensed Consolidated Interim Financial Statements

1 Reporting Entity

These Condensed Consolidated Interim Financial Statements as at and for the six months ended 30 June 2022 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 and providing 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.

2 Statement of Compliance

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting.

The accounting policies adopted in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021. The Group has not adopted early any standard, interpretation, or amendment that has been issued but is not yet effective.

The Condensed Consolidated Interim Financial Statements do not include all the information required for an annual financial report (*Jahresabschluss*) and should be read in conjunction with the IFRS Consolidated Financial Statements of the Group for the year ended 31 December 2021. This Report should also be read in conjunction with any public announcements made by the Group in accordance with continuous disclosure requirements arising under Australian Securities Exchange (ASX) Listing Rules.

The Condensed Consolidated Interim Financial Statements are presented in Euros, the presentation currency of the Group, and all values are rounded to the nearest thousand (EUR thousand), except where otherwise stated.

3 Critical Estimates and Judgements

3.1 Significant estimates or judgements

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in IFRS Consolidated Financial Statements of the Group for the year ended 31 December 2021. Further details on significant judgements of intangible assets are disclosed in Note 10. In addition, refer to Note 7 for further information on significant estimates used in determining the fair value of financial instruments and Note 14 for estimates on the Company's stock options. Details on the significant judgements of the purchase price of the Company's Chefgood acquisition are disclosed in Note 16.

3.2 Going concern

The Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis, which assumes that the Group will be able to meet all its financial obligations and commitments. Management believes the Company has sufficient resources to continue its business operations in the foreseeable future and meet all financial commitments. These resources include EUR 5,000 thousand from an equity raise with a long term-oriented European institutional investor executed in January 2022 as well as EUR 24,000 thousand in external funding which the Company drew down during Q2 2022 (see also note 11).

4 Significant Changes in the Current Reporting Period

The financial position and performance of the Group was particularly affected by the following events and transactions during the six months to 30 June 2022:

- *New loan facilities (Note 11)*
- *Chefgood acquisition (Note 17)*
- *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.*
- *Conversion from German stock corporation to a German-registered European company: At the 31 May 2022 Annual General Meeting the shareholders approved the Company's conversion from a German stock corporation (Aktiengesellschaft or "AG"), to a German registered European company (Societas Europaea or "SE"). This conversion was actioned as an SE and provides an appropriate and flexible corporate structure for the Company as a growth company with a pan-European/international employee base. Once completed, the Company will exist under the name "Marley Spoon SE".*
  In conjunction with the Company's planned conversion, the Company has established a new wholly owned subsidiary, MS Holding AG, Klagenfurt, Austria, to merge with the existing Marley Spoon AG entity.
  MS Holding AG was established on 8 April 2022 with the injection of a EUR 17.5 thousand cash contribution from Marley Spoon AG. MS Holding AG has no assets and is a non-operating entity.

5 Segment Reporting

The reported operating segments are strategic business units that are managed separately. The "Holdings" column represents internal charges and royalties as well as interest income on subsidiaries. The Group consolidation (''Conso'' column) eliminates intercompany transactions.

Operating EBITDA excludes the effects of equity-settled share-based payments, unrealized gains or losses on financial instruments, as well as significant items of income and expenditure that are the result of an isolated, non-recurring event such as certain impairments.

	For the six months ended 30 June 2022						
EUR in thousands	**USA**	**Australia**	**Europe**	**Total**	**Holdings**	**Conso**	**Group**
Total revenue	104,657	79,154	27,947	211,758	15,912	(15,912)	211,758
Internal revenue	-	-	-	-	15,912	(15,912)	-
External revenue	104,657	79,154	27,947	211,758	-	-	211,758
Contribution margin [1]	29,079	23,185	5,403	57,667	15,912	(15,912)	57,667
Operating EBITDA	**2,280**	**503**	**(15,529)**	**(12,746)**	**15,912**	**(15,912)**	**(12,746)**
Internal charges & royalties [3]	(6,069)	(4,276)	(1,746)	(12,091)	-	12,091	-
Special items [2]	(875)	(22)	(730)	(1,627)	-	-	(1,627)
Depreciation and amortization	(2,988)	(1,536)	(2,261)	(6,785)	-	-	(6,785)
EBIT	**(7,652)**	**(5,331)**	**(20,266)**	**(33,249)**	**-**	**12,091**	**(21,159)**
Intercompany interest	(1,588)	(1,098)	(1,135)	(3,821)	-	3,821	-

Interest on lease liabilities	(998)	(320)	(178)	(1,496)	-	-	(1,496)
External financing costs	(2,823)	(230)	(1,344)	(4,397)	-	-	(4,397)
Fair value changes Derivative financial instruments	-	(32)	-	(32)	-	-	(32)
Earnings before tax	**(13,061)**	**(7,011)**	**(22,924)**	**(42,996)**	**-**	**15,912**	**(27,084)**

	For the six months ended 30 June 2021						
EUR in thousands	**USA**	**Australia**	**Europe**	**Total**	**Holdings**	**Conso**	**Group**
Total revenue	74,864	51,661	31,518	158,043	11,917	(11,917)	158,043
Internal revenue	-	-	-	-	11,917	(11,917)	-
External revenue	74,864	51,661	31,518	158,043	-	-	158,043
Contribution margin (1)	19,626	17,006	6,551	43,183	11,917	(11,917)	43,183
Operating EBITDA	**(2,547)**	**(310)**	**(11,939)**	**(14,796)**	**11,917**	**(11,917)**	**(14,796)**
Internal charges & royalties (3)	(4,380)	(2,883)	(2,114)	(9,377)	-	9,377	-
Special items (2)	-	-	(814)	(814)	-	-	(814)
Depreciation and amortization	(1,613)	(696)	(1,354)	(3,663)	-	-	(3,664)
EBIT	**(8,539)**	**(3,890)**	**(16,221)**	**(28,651)**	**-**	**9,377**	**(19,273)**
Intercompany interest	(1,574)	(415)	(551)	(2,540)	-	2,540	-
Interest on lease liabilities	(789)	(123)	(195)	(1,107)	-	-	(1,107)
External financing costs	(13)	193	(797)	(617)	-	-	(617)
Fair value changes Derivative financial instruments	-	(12)	-	(12)	232	-	220
Earnings before tax	**(10,916)**	**(4,247)**	**(17,764)**	**(32,927)**	**232**	**11,917**	**(20,777)**

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

(2) Special items consist of the following: Employee stock option program costs including exercise expenses of EUR 678 thousand (30 June 2021: 814 thousand), expenses related to legal and other services incurred in connection with M&A transactions EUR 17 thousand (2021: 0), severance expense incurred EUR 403 thousand (30 June 2021: 0), as well as a one-time sales tax charge in the US of EUR 530 thousand in Q2 2022.

(3) The Group has the following intercompany transactions: intercompany financing transactions between the parent and the subsidiaries, the associated interest, royalty charges and certain services provided between headquarters and the operating subsidiaries or directly between subsidiaries. These charges are based on independent benchmark studies and considered to be at arm’s length.

6 Income Tax Expense

The Group’s consolidated weighted current tax rate for the six months ended 30 June 2022 was 23.8% (six months ended 30 June 2021: 26.9%). 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. No numerical reconciliation of income tax expense to prima facie tax payable has been calculated since no positions have been recognized in 2021.

The Group has tax losses in several legal entities in different tax jurisdictions that have the potential to reduce tax payments in future years. These losses relate to subsidiaries that have a history of losses, do not expire, and cannot be used to offset taxable income elsewhere in the Group. The subsidiaries currently have no tax planning opportunities available that 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 or the associated tax expense benefit in the Statement of Comprehensive Income.

7 Financial Instruments

7.1 Accounting classifications and fair values

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		**30 June 2022**		**31 December 2021**	
Financial assets	**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Other non-current financial assets	n/a	2,563	2,563	2,338	2,338
Trade and other receivables	n/a	1,146	1,146	446	446
Cash and cash equivalents	n/a	29,249	29,249	38,659	38,659
Total		**32,958**	**32,958**	**41,443**	**41,443**
Financial liabilities	**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Borrowings (current & non-current)	n/a	79,485	79,485	56,517	56,517
Trade and other payables	n/a	31,478	31,478	27,574	27,574
Forward (current)[1]	2	104	104	70	70
Other financial liabilities	n/a	13,835	13,835	11,424	11,424
Total		**124,902**	**124,902**	**95,585**	**95,585**

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

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.

7.2 Fair value of financial instruments

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

7.3 Derivative Financial Instruments

The derivative financial instruments break down as follows:

	30 June 2022	30 June 2021
Forward derivative	104	210
Derivative financial instruments – current	**104**	**210**
Convertible rights on the bonds	-	3,264
Derivative financial instruments – non-current	-	3,264
Total	**104**	**3,474**

The Group has one financial liability measured at fair value in the statement of financial position during the period, a forward exchange contract, and the fair value is defined by the current exchange rate and the contractual terms (level 2).

The Group issued convertible bonds during 2019 and 2020, which are partly classified as derivative financial liabilities at the date of initial recognition and recognized at fair value. An option pricing model is used to determine the fair value of the conversion rights at the relevant dates (level 3). Public market data, e.g., the risk-free interest rate (30 June 2021: 0.00%) and other input data were used. Especially relevant is the share price at valuation and balance sheet date (30 June 2021: AUD 3,160 per share), the volatility (six months to 30 June 2021: 78.09%) as well as the maturity. Gains and losses arising from changes in fair value are recognized in the Statement of Comprehensive Income in the period during which they arise.

8 Property, Plant and Equipment

During the six months ended 30 June 2022, the Group's property, plant and equipment increased by EUR 3,908 thousand (six months ended 30 June 2021: EUR 10,647 thousand).

The increase in fixed assets is driven in part by the final build-out of the Company's new fulfilment center in California (EUR 1,488 thousand), investment made at Chefgood's new fulfilment center in Melbourne since acquisition (EUR 743 thousand), and new assets acquired through the purchase of Chefgood Pty (EUR 895 thousand).

9 Lease Liabilities

During the six months ended June 30, 2022, the Group recognized long-term lease agreements with a cost of EUR 2,184 thousand (six months ended 30 June 2021: EUR 14,651 thousand). For the period ended 30 June 2022, the Group classified EUR 8,320 thousand as the current portion of its lease liabilities.

The increase in leased liabilities is attributable to the renewal of the lease contract for the Company's fulfilment center in the Netherlands and new technology equipment leases in Europe.

10 Intangible Assets

During the six months ended 30 June 2022, the Group capitalized EUR 8,115 thousand (six months ended 30 June 2021: EUR 1,630 thousand). EUR 4,662 thousand are the provisional valuation of the acquired intangibles with the Chefgood purchase, EUR 3,433 thousand related to software developments and EUR 20 thousand in sustainability credits.

Consistent with the Group's accounting policies, 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 internally generated software. Actual results may differ from these estimates. The Group tests whether the intangible assets have suffered any impairment or occurrence of an impairment indicator for all intangible assets. No impairment was recorded during the period.

11 Interest-bearing Loans and Borrowings

During Q1 2022, the Company repaid the outstanding aggregate short-term loan balance of EUR 5,000 thousand due to Berliner Volksbank (BVB) by drawing a EUR 5,000 thousand account overdraft facility with BVB which carried an interest rate of 5.5% per annum. This overdraft was repaid in Q2.

During Q2 2022, the Company drew down a new EUR 5,000 thousand loan from BVB. This EUR 5,000 thousand money market loan carries an interest rate of 7% per annum, has been drawn down for 90 days and renews in 90-day increments until repayment in January 2023. Also, during the same period, the Company drew down Tranche 2, EUR 19,255 thousand (USD 20,000 thousand) of the group's existing debt facility with Runway Growth Capital, which carries the same conditions as the previously drawn EUR 50,586 thousand (USD 53,100 thousand) of the debt facility.

The Company's remaining debt includes principally asset financing in Australia of EUR 4,573 thousand and the existing EUR 50,586 thousand (USD 53,100 thousand) debt facility from Runway Growth Capital. Further details on the financing facilities are included in Section 6.7 (Interest bearing loans and borrowings) within the notes to the financial statements in the Marley Spoon 2021 annual report.

12 Financing Income and Expense

Financing expenses are associated with the interest paid on borrowings, derivative financial instruments and the adjustments for loans which are valued at amortized costs. Differences between the proceeds (net of transaction costs) and the redemption value are recognized in the Statement of Comprehensive Income over the borrowing period using the effective interest method.

For the six months ended	**30 June 2022**	**30 June 2021**
Interest earned on bank balances	15	-
Interest on sublease assets	15	-
Finance income	**30**	**-**

For the six months ended	**30 June 2022**	**30 June 2021**
Interest expense on bank balances	(98)	-
Nominal interest expense on borrowings	(3,215)	(506)
Interest on lease liabilities	(1,531)	(1,107)
Currency translation losses	(1,079)	(14)

Effects of effective interest method on borrowings	-	(97)
Total financing expense	**(5,923)**	**(1,723)**

For the six months ended	30 June 2022	30 June 2021
Derivative financial instrument changes in fair value	**(32)**	**220**

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 / CDIs as at 30 June 2022. No entities have significant influence over the Group other than the one-vote-one-share structure as listed below:

Shareholder	CDIs	% IC
Conifer Capital Management/Acacia (New York)	48,368,423	16.6%
Union Square Ventures (New York)	42,962,000	14.7%
Perennial Value Mgt (Sydney)	34,999,072	12.0%
Other security holders (individually under 10%)	106,772,013	36.6%

13.2 Remuneration of members of key management including the Supervisory Board

Key management personnel include the Chief Executive Officer and the Chief Financial Officer (key executive management) and the Supervisory Board.

Management Board

The total remuneration is listed in the table below:

Remuneration for the six months ending	30 June 2022	30 June 2021
Fixed annual remuneration	530	316
Share-based payments (long-term incentives)	150	86
Total compensation	680	402

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 their services as a member of the Supervisory Board during the financial year 2022, each Supervisory Board member shall receive a fixed annual remuneration in the amount of EUR 66,229 (AUD 100,000). The base remuneration is inclusive of any applicable taxes, social contributions, superannuation, and other duties imposed on the respective member of the Supervisory Board. Individual board members that serve as chairman of the Company’s committees receive the following additional remuneration: EUR 66,229 (AUD 100,000) (2021:

EUR 44,293 (AUD 70,000)) for the Chairman of the Supervisory Board, EUR 13,245 (AUD 20,000), both in 2021 and 2022, for the Chairman of the ARC and of the NRC Committees.

There is no equity-based remuneration for the Supervisory Board in 2021 or 2022.

Mr. Gisy received no compensation for the 6 months ended 30 June 2022.

14 Share-based Payments

On 30 June 2022, the Group had the following share-based payment arrangements:

Prior to its IPO, the Company issued rights under historical "virtual share plans" to most of its salaried employees which were replaced with stock options after the Company's IPO (the ESOP plans). Generally, employees were granted stock options with 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. Further details of the program are provided in the Consolidated Annual Report for the year ended 31 December 2021.

The Company introduced a new employee stock option plan ("SOP") in February 2019 and August 2019, followed by subsequent grants in February 2020 and August 2020, March 2021, August 2021, as well as March 2022, granting employees share-based payments similarly structured as the ESOP. For equity-settled transactions, the total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award. The fair value determined at the grant date is expensed on a graded vesting scheme, with a corresponding credit in equity.

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

During the six months ended 30 June 2022, the following transactions occurred in the Company's stock option plans:

	Number of awards
Number of awards outstanding 31 December 2021	**12,073**
Thereof: exercisable/vested	2,435
Granted during 2022	6,121
Forfeited during 2022	(3,001)
Exercised during 2022	(14)
Expired 2022	-
Number of awards outstanding 30 June 2022	**15,179**
Thereof: exercisable/vested	6,441

	Number of awards
Number of awards outstanding 31 December 2020	**13,913**
Thereof: exercisable/vested	6,475
Granted during 2021	5,910
Forfeited during 2021	(728)
Exercised during 2021	(4,837)
Expired 2021	-
Number of awards outstanding 30 June 2021	**14,257**
Thereof: exercisable/vested	4,446

Total expenses arising from share-based payments to employee programs (ESOP, and SOP grants in 2019, 2020, 2021, and 2022; RSU 2022) recognized during the period were EUR 605 thousand (2021: EUR 649 thousand).

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

Inputs to the Model	**2022**	**2021**	**2020**	**2019**
Value per common share (EUR)	0.38	1.97	0.28 - 3.23	0.36 - 0.59
Exercise price (EUR)	0.44	0.18-1.82	0.18 - 1.53	0.27 - 0.40
Expected volatility	80%	79%	57% - 80%	45%
Expected term (in months)	48	48	48	48
Expected dividend yield	-	-	-	-
Risk-free interest rate	0%	0%	0%	0%

15 Equity

As at 31 December 2021, the issued registered share capital is EUR 284,051 in nominal shares with a proportionate amount in the share capital of EUR 1.00 per share. The 31 December 2021 share to Chess Depositary Instrument (CDI) transmutation ratio was 1:1,000, equating to 284,051,000 CDIs on issue.

During the current period, in conjunction with the Company's planned conversion to a German registered European company (Societas Europaea), the Company increased its share capital from company funds by a factor of 100 by converting existing capital reserves into registered share capital and simultaneously decreasing its current share to CDI transmutation ratio by a factor of 100 i.e., to 1:10. The Company undertook the change in the transmutation ratio in parallel with the capital increase.

The increase in share capital from company funds is akin to a share split under Australian law meaning it is neither dilutive nor otherwise impacting the economic shareholding of investors in the Company. It was achieved by the Company increasing its nominal share capital from company funds namely, by converting existing capital reserves of EUR 28,904 thousand into 28,904 thousand new shares in the Company. No cash contributions by shareholders and/or CDI-holders were required, and the increase did not impact the cash reserves of the Company. As at 30 June 2022 the share capital of the Company equals EUR 29,196 thousand and will be divided into 29,195,800 shares.

The new shares rank pari passu and were issued to Chess Depositary Nominees Pty Ltd (CDN) as the legal owner of the currently issued shares in the Company. For each share held by CDN, CDN received 99 new shares. Following the share capital increase being registered with the commercial register of the Company on 8 June 2022, the share capital of the Company equals EUR 29,195,800 and is divided into 29,195,800 shares, all of which are held by CDN. Given that all security holders participated in the capital increase on a pro rata-basis, the existing proportionate holdings in the Company remained unchanged.

16 Other Financial Liabilities

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

17 Chefgood Acquisition

On 4 January 2022, the Group, through its Australian subsidiary MarleySpoon Pty Limited, acquired 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. The acquisition has been accounted for using the acquisition method. As the legal acquisition was closed on 4 January 2022, revenue and profit/loss from Chefgood for the period 4 January – 30 June 2022 is included in the interim condensed consolidated financial statements and within the operations of the Australian Segment (note 5). If the business had been acquired on 1 January 2022, total revenue of the Group would not have been impacted due to holidays in Australia.

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

ASSETS	Fair value recognized on acquisition date
Property, plant, and equipment	895
Cash	929
Trade receivables	3
Related party receivables	80
Inventories	260
Other assets	16
Brand name (provisional)*	4,381
Customer relationships (provisional)*	281
Total Assets	6,844

LIABILITIES	Fair value recognized on acquisition date
Trade payables	(842)
Goods and services tax	(148)
Pay as you go tax (PAYG)	(105)
Employee entitlements	(43)
Deferred income	(193)
Deferred tax liabilities (provisional)*	(1,398)
Non-current employee benefits	(41)
Total Liabilities	(2,770)
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	4,074
Goodwill arising on acquisition (provisional)*	9,890
Purchase consideration transferred	**13,964**

*The valuation of property, plant and equipment, as well as the intangible assets acquired had not been completed by the date the interim financial statements were approved for issue by the Management Board. Thus, these assets may need to be subsequently adjusted, with a corresponding adjustment to goodwill prior to the completion of purchase price accounting on 4 January 2023 (one year after the transaction).

ANALYSIS OF CASH FLOWS ON ACQUISITION	Fair value recognized on acquisition date
Net cash acquired with Chefgood	929
Cash paid on 4 January 2022 (initial consideration transferred)	(7,125)
Total net cashflow on acquisition	(6,196)

The acquisition date fair value of the total consideration for the acquisition is EUR 13,964 thousand (AUD 22,000 thousand). It includes EUR 7,125 thousand of initial consideration transferred and contingent consideration of EUR 6,839 thousand, payable in cash, shares or a combination, in two earn-out payments over 2.5 years after the acquisition date depending upon the future revenue and financial performance of the acquired business.

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

	Fair value recognized on acquisition date
Initial consideration transferred [cash]	7,125
FV of contingent consideration (provisional)*	6,839
FV of net assets acquired (provisional)*	4,074
Goodwill (provisional)*	9,890

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

Goodwill	
Carrying amount at 1 January 2022	-
Acquisition of Chefgood	9,890
Carrying amount at 30 June 2022	9,890

The goodwill recognized is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Chefgood with those of the Group. The goodwill is not deductible for income tax purposes.

Transaction costs of EUR 17 thousand have been expensed and are included in general & administrative expenses in the statement of profit or loss and adjusted as a special item. They are also a part of operating cash flows in the statement of cash flows.

18 Events after the Reporting Period

Ms. Anderson, Supervisory Board member and Chairman of the Nominations and Remuneration Committee, notified the Company of her intent to retire, effective 19 August 2022. Ms. Anderson is succeeded by Mr. Christian Gisy. Mr. Gisy's initial term will last until the next general meeting, during which he will stand for election by the shareholders.

The Condensed Consolidated Interim Financial Statements were authorized by the Management Board on 18 August 2022.

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

Jennifer Bernstein
Chief Financial Officer, Member of the Management Board

Rolf Weber
Chief Operating Officer, Member of the Management Board

Berlin, 18 August 2022

Marley Spoon AG Directors' Declaration

Following their review of the Report, the members of the Management Board (*Vorstand*) declare that in their reasonable opinion:

- The Condensed Consolidated Interim Financial Statements and accompanying Notes give a true and fair view of the financial position of the Group as at 30 June 2022 and of its performance for the half-year ended on that date;

- The Condensed Consolidated Interim Financial Statements and accompanying Notes comply with International Accounting Standard 34: Interim financial reporting as adopted by the European Union; and

- There are reasonable grounds to believe that Marley Spoon AG will be able to pay its debts as and when they fall due and payable.

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

Jennifer Bernstein
Chief Financial Officer, Member of the Management Board

Rolf Weber
Chief Operating Officer, Member of the Management Board

Independent Auditor’s Review Report

Report on Review of condensed consolidated interim financial statements

To: Marley Spoon AG

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Marley Spoon AG, Berlin, and its subsidiaries (‘the Group‘) as at 30 June 2022, comprising of the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (‘IAS 34‘). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity‘. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Berlin, 18 August 2022

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

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