24. FINANCIAL INFORMATION

Audited Consolidated Financial Statements as of and for the Year Ended December 31, 2022 (Prepared in Accordance with IFRS) of 468 SPAC II SE, Luxembourg F-2

Independent Auditor's Report F-3

Consolidated Statement of Comprehensive Income F-7

Consolidated Statement of Financial Position F-8

Consolidated Statement of Changes in Equity F-9

Consolidated Statement of Cash Flows F-10

Notes to the Consolidated Financial Statements F-11

Audited Consolidated Financial Statements as of and for the Year Ended December 31, 2021 (Prepared in Accordance with IFRS) of 468 SPAC II SE, Luxembourg F-28

Independent Auditor's Report F-29

Consolidated Statement of Comprehensive Income F-33

Consolidated Statement of Financial Position F-34

Consolidated Statement of Changes in Equity F-35

Consolidated Statement of Cash Flows F-36

Notes to the Consolidated Financial Statements F-37

Audited Consolidated Financial Statements as of and for the Year Ended December 31, 2022 (Prepared in Accordance with IFRS) of Marley Spoon AG, Berlin F-49

Consolidated Statement of Financial Position F-50

Consolidated Statement of Comprehensive Income F-51

Consolidated Statement of Changes in Equity 2022 . . . . . F-52

Consolidated Statement of Cash Flows F-53

Notes to the Consolidated Financial Statements F-54

Independent Auditor's Report F-94

Audited Consolidated Financial Statements as of and for the Year Ended December 31, 2021 (Prepared in Accordance with IFRS) of Marley Spoon AG, Berlin F-98

Consolidated Statement of Financial Position F-99

Consolidated Statement of Comprehensive Income F-100

Consolidated Statement of Changes in Equity 2021 . . . . . F-101

Consolidated Statement of Cash Flows F-103

Notes to the Consolidated Financial Statements F-104

Audited Consolidated Financial Statements as of and for the Year Ended December 31, 2020 (Prepared in Accordance with IFRS) of Marley Spoon AG, Berlin F-143

Consolidated Statement of Financial Position F-144

Consolidated Statement of Comprehensive Income F-145

Consolidated Statement of Changes in Equity 2020 . . . . . F-146

Consolidated Statement of Cash Flows F-148

Notes to the Consolidated Financial Statements F-149

Audited Consolidated Financial Statements
as of and for the Year Ended December 31, 2022
(Prepared in Accordance with IFRS)
of 468 SPAC II SE, Luxembourg

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To the Shareholders of
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Société européenne

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **468 SPAC** II SE and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows f for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "reviseur d'entreprises agree" for the Audit of the Consolidated Financial Statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the result of our audit procedures no Key Audit Matter was identified for the audit of the consolidated financial statements as of 31 December 2022.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the consolidated management report and the corporate governance statement but does not include the consolidated financial statements and our report of the "reviseur d'entreprises agree" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and Those Charged With Governance of the Group for the Consolidated Financial Statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "reviseur d'entreprises agree" for the Audit of the Consolidated Financial Statements

The objectives of our audit 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 to issue a report of the "reviseur d'entreprises agree" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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, 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 opinion. 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 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of Management Board'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 our report of the "Reviseur d'Entreprises Agree" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "reviseur d'Entreprises Agree". However, future events or conditions may cause the Group to cease 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards or actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "reviseur d'entreprises agree" by the General Meeting of Shareholders on 30 June 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and financial statements of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Consolidated financial statements prepared in valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2022, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent from the Group in conducting the audit.

Luxembourg, 25 April 2023

For Mazars Luxembourg, Cabinet de révision agréé
5, rue Guillaume **J. Kroll**
L-1882 Luxembourg

Fabien **DELANTE**
Réviseur d'entreprises agréé

Consolidated statement of comprehensive income for the year ended 31 December 2022

	Notes	From 1 January 2022 to 31 December 2022 EUR	From 4 August 2021 to 31 December 2021 EUR
Revenue		—	—
Other operating expenses	**6**	(3,123,012)	(207,208)
Operating loss		**(3,123,012)**	**(207,208)**
Finance costs	**9, 14, 15.1**	(2,806,678)	(242)
Fair value loss on class B warrants	**13.1**	(1,439,200)	—
Fair value loss on class A warrants	**13.2**	(5,390,000)	—
Loss before income tax		**(12,758,890)**	**(207,450)**
Income tax	**7**	—	—
Loss for the year		**(12,758,890)**	**(207,450)**
Other comprehensive income		—	—
Total comprehensive loss for the year, net of tax		**(12,758,890)**	**(207,450)**
Earnings/(loss) per share:	**8**		
Net earnings per share		(2.38)	(0.03)
Diluted earnings per share		(2.38)	(0.03)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 December 2022

	Note	31 December 2022 EUR	31 December 2021 EUR
ASSETS			
Current assets			
Cash in escrow	**9**	210,411,275	—
Deferred costs	**10**	—	1,030,108
Other prepayments		20,081	—
Cash and cash equivalents	**11**	1,665,134	1,523,118
		212,096,490	**2,553,226**
Total assets		**212,096,490**	**2,553,226**
EQUITY AND LIABILITIES			
Equity	**12**		
Share capital		84,000	120,000
Share premium		958,600	1,080,000
Other reserves		2,070	—
Legal reserve		—	—
Warrant reserve		121,400	—
Accumulated deficit		(12,966,340)	(207,450)
Total equity		**(11,800,270)**	**992,550**
Non-current liabilities			
Class B warrants at fair value	**13.1**	9,149,200	—
Class A warrants at fair value	**13.2**	5,460,000	—
		14,609,200	—
Current liabilities			
Redeemable Class A shares	**14**	208,437,072	—
Shareholder loan	**15.1**	—	34,742
Advances from Sponsors	**15.2**	—	367,359
Payable to directors	**15.3, 18**	157,875	—
Trade and other payables	**16**	692,613	1,158,575
		209,287,560	**1,560,676**
Total liabilities		**223,896,760**	**1,560,676**
Total equity and liabilities		**212,096,490**	**2,553,226**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2022

	Notes	Share capital EUR	Share premium EUR	Other reserves EUR	Warrant reserve EUR	Accumulated deficit EUR	Total equity EUR
Balance, 1 January 2022		**120,000**	**1,080,000**	—		**(207,450)**	**992,550**
Repurchase and cancellation of 2,250,000 class B shares	**12**	(36,000)	—	—		—	(36,000)
Allocation to warrant reserve	**12**	—	(121,400)	—	121,400	—	
Capital contribution without issuance of shares	**12**	—	—	2,070	—	—	2,070
Issuance of 21,000,000 class A shares, net of transaction costs	**12, 14**	336,000	205,513,130	—	—	—	205,849, 130
Reclassification of class A shares from equity to liability (IAS 32)	**12, 14**	(336,000)	(205,513,130)	—	—	—	(205,849,130)
Results for the financial year		—	—	—	—	(12,758,890)	(12,758,890)
Balance, 31 December 2022		**84,000**	**958,600**	**2,070**	**121,400**	**(12,966,340)**	**(11,800,270)**
Balance, 4 August 2021		—	—	—	—	—	—
Issuance of Class B shares	**12**	120,000	—	—	—	—	120,000
Capital contribution without issuance of shares	**12**	—	1,080,000	—	—	—	1,080,000
Results for the financial period		—	—	—	—	(207,450)	(207,450)
Balance, 31 December 2021		**120,000**	**1,080,000**	—	—	**(207,450)**	**992,550**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 December 2022

	Notes	From 1 January 2022 to 31 December 2022 EUR	From 4 August 2021 to 31 December 2021 EUR
Cash flows from operating activities			
Loss before income tax		(12,758,890)	(207,450)
Adjustments for non-cash items:			
Finance cost	**9, 14, 15.1**	2,806,678	242
Fair value loss on Class B warrants	**13.1**	1,439,200	—
Fair value loss on Class A warrants	**13.2**	5,390,000	—
Changes in worNng capital:			
Decrease/ (Increase) in deferred costs and other prepayments		1,010,027	(1,030,108)
Increase in payable to directors	**15.3**	157,875	—
(Decrease)/ Increase in trade and other payables	**16**	(465,962)	1,158,575
Interest paid		(218,978)	—
Net cash flows used in operating activities		**(2,640,050)**	**(78,741)**
Cash flows from financing activities			
Proceeds from issuance of class B shares	**12**	—	120,000
Repurchase of 2,250,000 class B shares	**12**	(36,000)	—
Proceeds from additional capital contribution	**12**	2,070	1,080,000
Proceeds from issuance of class B warrants	**13.1, 15.2**	7,383,342	—
Proceeds from issuance of class A shares and class A warrants, net of private placement costs	**13.2, 14**	205,919,130	—
(Repayment)/ Proceeds of Shareholder loan	**15.1**	(34,500)	34,500
(Repayment)/ Proceeds of Sponsor advances	**15.2**	(40,701)	367,359
Net cash flows from financing activities		**213,193,341**	**1,601,859**
Net increase in cash and cash equivalents Of which:		210,553,291	1,523,118
Increase in restricted cash (Cash in Escrow)	**9**	(210,411,275)	—
Cash and cash equivalents, beginning		1,523,118	—
Cash and cash equivalents at end of year		**1,665,134**	**1,523,118**

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2022

1. GENERAL INFORMATION

468 SPAC II SE (the "Company" or "Parent") was incorporated on 26 July 2021 (date of incorporation per the deed of incorporation as' agreed between shareholders in front of the notary) in Luxembourg as a European company *("Societe Europeenne"* or "SE") based on the laws of the Grand Duchy of Luxembourg ("Luxembourg"). The Company is registered with the Luxembourg Trade and Companies Register *(Registre de Commerce et des Societes,* in abbreviated "RCS) under the number B257664 since 4 August 2021. The Company is a listed entity with its class A shares traded in the regulated market of Frankfurt Stock Exchange under the symbol "SPV2" since 20 January 2022 (See Notes 12 and 14). Likewise, the Company's class A warrants are also traded on the open market of the Frankfurt Stock Exchange under the symbol "SPVW' (See Note 13.2). The Company also has 5,250,000 class B shares and 5,140,000 class B warrants issued and outstanding as at 31 December 2022 that are not listed on a stock exchange (See Notes 12 and 13.1).

The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company is managed by its management board ("Management Board") under the supervision and control of the supervisory board ("Supervisory Board"). This two-tier governance structure was resolved by an extraordinary shareholders' meeting of the Company held on 2 November 2021. The Management Board is composed of Alexander Kudlich (Chief Executive Officer), Ludwig Ensthaler (Chief Investment Officer), Florian Leibert (Chief Technology Officer), and Werner Weynand (Chief Administrative Officer). The members of the Supervisory Board consists of Mato Perie, Katharina Jung er and Stefan Kalteis.

The sponsors of the Company are TEIXL Investments GmbH, Ophelia Capital UG and Florian Leibert (the "Sponsors"). The members of the Supervisory Board of the Company, directly or through their affiliates, as well as BD1 GmbH (formerly BD Capital GmbH) and Fabian Zilker (together, the "Co-sponsors") have also provided funds to the Company.

The Company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland that is based in the technology and technology-enabled sector with a focus on the sub sectors consumer technology and software & artificial intelligence through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the "Business Combination"). The Company will not conduct operations or generate operating revenue unless and until the Company consummates the Business Combination. The Company will have 18 months from the date of admission to trading to consummate a Business Combination (the "Acquisition Period").

Upon closing of the Business Combination the above Company's purpose shall cease to apply and the Company's purpose shall be as from such time the creation, holding, management, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in Luxembourg and in foreign entities whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

Unlike other forms of companies, a Societe Europeenne only exists from the date of publication of its statutes with the RCS. Accordingly, the comparative period on these consolidated financial statements of 468 SPAC II SE and its subsidiaries (collectively the "Group") were prepared from 4 August 2021 (date of registration of the Company with the RCS) to 31 December 2021. Any act performed and any transaction carried out by the Company between the date of incorporation and the date of registration is considered to emanate from the Company and is therefore included in the consolidated financial statements. These consolidated financial

statements were authorized for issue in accordance with a resolution of the Management Board on 25 April 2023. The consolidated financial statements are published in accordance with the European Single Electronic Format regulation on the Company's website (https://www.468spac2.com/).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Company's financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year which started on 4 August 2021 (date of registration with the RCS) and ended on 31 December 2021.

The consolidated financial statements have been prepared on a going concern basis (See Note 3) and in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union. They are also prepared in Euros (EUR) which is the Group's presentation and functional currency and have been prepared under the historical cost convention, except for financial instruments that are measured at fair value.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022.

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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is the presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

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 control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3. Summary of significant accounting policies

International accounting standards include IFRS, IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee) and IFRICs (International Financial Reporting Interpretations Committee).

The repository adopted by the European Commission is available on the following internet site: http://ec.europa.eu/finance/accounting/ias/index_en.htm

a) New standards, amendments and interpretations that were issued but not yet applicable as at 31 December 2022 and that are most relevant to the Group

- **Amendments to IAS 1—not yet endorsed by the EU:** Classification of Liabilities as Current or Non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

  Amendments to IAS 1—not yet endorsed by the EU: Non-current Liabilities with Covenants. In October 2022, the IASB issued Non-current Liabilities with Covenants, (Amendments to IAS 1), to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024.

- **Amendments to IAS 1 and IFRS Practice Statement 2:** Disclosure of Accounting policies. In February 2021, the IASB issued amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

- **Amendments to IAS 8:** Definition of Accounting Estimate. In February 2021, the IASB issued amendments to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.

- **Amendments to IAS 12:** Deferred Tax related to Assets and Liabilities arising from a Single Transaction. In May 2021, the IASB amended the standard to reduce diversity in the way that entities account for deferred tax on transactions and events, such as leases and decommissioning obligations, that lead to the initial recognition of both an asset and a liability. The amendments apply for annual reporting periods beginning on or after 1 January 2023 and may be applied early.

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory. Currently, the Management Board anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Group.

b) New Standards Issued -effective from 1 January 2022

The Company applied for the first time certain standards, amendments and interpretations which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, amendment or interpretation that has been issued but not yet effective.

- **Reference to the Conceptual Framework -Amendments to IFRS 3:** In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

  At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

- **Amendments to IAS 37:** Onerous Contracts—Cost of Fulfilling a Contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

- **Annual improvements to IFRS Standards 2018-2020:** The annual improvements to IFRS consists of amendments to IFRS 1, IFRS 9, IFRS 16, and IAS 41. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

c) Business combinations and goodwill

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

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

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

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

When the amount of aggregate consideration transferred is in excess of the fair value of the net assets acquired a goodwill is recognized. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

d) Foreign currencies

These consolidated financial statements are presented in EUR, which is the parent's and subsidiaries functional currency and presentation currency.

Transactions denominated in currencies other than the EUR are recorded at the exchange rate at the transaction date.

e) Financial instruments

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 Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset.

Financial assets: The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

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 and loss, transaction costs.

Financial assets measured at amortised cost: This is the category most relevant to the Group. A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Group includes in this category cash and cash equivalents and cash in escrow.

Financial liabilities: The financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Group's financial liabilities include trade and other payables, shareholder loan, advances from sponsors, payable to directors, redeemable class A shares, class A warrants at fair value and class B warrants at fair value.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities measured at amortised cost: This is the category most relevant to the Group. After initial recognition, trade and other payables, shareholder loan, advances from sponsors, payable to directors and redeemable class A shares are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the consolidated statement of comprehensive income.

Financial liabilities through profit or loss: Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Derecognition: A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Impairment of financial assets: The Group has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to its financial assets. Therefore the Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

f) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The carrying amounts of these approximate their fair value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

g) Fair value measurement

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 to 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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, 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 the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i) Taxes

Income tax recognized in the consolidated statement of comprehensive income includes current and deferred taxes.

Current tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are tested for impairment on the basis of a tax planning derived from management business plans.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

j) Share-based payments

The Management Board is currently assessing whether certain class B shares and class B warrants issued to the Sponsor and Co-Sponsors of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably adopt its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

In any case, the class B shares and class B warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Sponsor and Co-Sponsors only derive the value from the class B shares and class B warrants when they are converted into class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 31 December 2022, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

k) Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in as part of other operating expenses in the consolidated statement of comprehensive income, together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service

requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the recipient of the share-based payment. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment in case of a new outbreak of a novel strain of the coronavirus ("COVID-19") and the military conflict between Ukraine and Russia.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

As at 31 December 2022, the significant areas of estimates, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements are:

- Going concern: Despite the EUR 11,800,270 negative equity of the Group as at 31 December 2022, the Management Board decided to prepare these consolidated financial statements on a going concern basis for the following reasons:
  - On one hand, the redeemable class A shares, amounting to EUR 208,437,072, that are presented as current liabilities (debt instruments) in accordance with IAS 32, are true equity of the Company from a legal standpoint (see Note 14);
  - On the other hand, the class B warrants designated as Sponsor Capital At-Risk amounting to EUR 8,401,600 (See Note 13.1), which are currently presented as a non-current liability, will not be required to be paid in cash. These class B warrants have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation.
  - Furthermore, the class A warrants amounting to EUR 5,460,000 (See Note 13.2) is redeemable at the option of the Company, hence, this does not pose any liquidity issues to the Group.

  In addition, the Management Board underlying assumption to prepare the consolidated financial statements is based on the anticipated successful completion of the Business Combination.
- Deferred costs: According to the Management Board's underlying assumption of a successful admission to the Frankfurt Stock Exchange, the related amounts incurred as transaction costs as at 31 December 2021 that qualify as incremental costs directly attributable to the private placement are deferred until the effects of the private placement is reflected in the accounts (See Note 10). These deferred costs were deducted from the proceeds of the private placement (See Note 14).
- Deferred tax asset: A deferred tax asset in respect of the tax losses incurred has not been recognised as the Management Board estimates uncertainty in terms of future taxable profit against which the Group can utilise the benefits therefrom (See Note 7).
- Classification of Redeemable class A shares: The Management Board assessed the classification of redeemable class A shares in accordance with IAS 32 under which the redeemable class A shares do not

meet the criteria for equity treatment and must be recorded as liabilities (See Note 14). The class A shares features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, the Company classifies the Redeemable Class A shares as financial liabilities at amortised cost in accordance with IFRS 9. The transaction costs directly attributable to issuance of the redeemable class A shares which are subscribed via private placement ("Private Placement") are deducted against the initial fair value.

- Classification and measurement of Warrants: The Management Board assessed the classification of warrants in accordance with IAS 32 under which the warrants do not meet the criteria for equity treatment and must be recorded as derivatives. Accordingly, the Company classifies the class A warrants and class B warrants as liabilities at their fair value and adjust them to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the consolidated statement of comprehensive income. The fair value of class A warrants is determined based on its quoted market price or independently valued using Monte Carlo valuation model for periods when there are no observable trades, as of each relevant date. Likewise, the class B warrants which are not listed to the stock exchange are also independently valued using the Black-Scholes Option Pricing model to determine its fair value.

- Class B shares and warrants as share-based payments: The Management Board is currently assessing whether certain class B shares and warrants issued to the Sponsor of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably adopt its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

  In any case, the class B shares and class B warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Sponsors and the Co-Sponsors only derive the value from the class B shares and class B warrants when they are converted into class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 31 December 2022, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

4. GROUP INFORMATION

Subsidiaries

The Group has been established on 10 August 2021. The wholly-owned subsidiaries of the Group as at 31 December 2022 are 468 SPAC II Advisors Verwaltungs-GmbH (formerly "aptus 1795. GmbH"), 468 SPAC II Advisors GmbH & Co. KG (formerly "cor 67. GmbH & Co. KG") and 468 SPAC II Issuance

GmbH & Co. KG.

The consolidated financial statements of the Group include the Company 468 SPAC II Advisors Verwaltungs-GmbH, 468 SPAC II Advisors GmbH & Co. KG and 468 SPAC II Issuance GmbH & Co. KG.

The parent company

The parent company of the Group is 468 SPAC II SE.

Segment information

The Group is currently organised as one reportable segment. The Group has been deemed to form one reportable segment as the Parent and its subsidiaries have been established together for the purpose of acquiring one operating business i.e. the Business Combination (See Note 1).

5. ACQUISITION AND INCORPORATION OF SUBSIDIARIES

On 10 August 2021, the Company acquired 468 SPAC II Advisors Verwaltungs-GmbH ("468 II Advisors GmbH") and 468 SPAC II Advisors GmbH & Co. KG ("468 II Advisors KG") for an amount of EUR 28,800 which included cash balances of EUR 25,100 (thereof EUR 25,000 from 468 11 Advisors GmbH and EUR 100 from 468 II Advisors KG) and acquisition related costs of EUR 3,700.

On 20 January 2022, the Company contributed proceeds from the Private Placement for an amount of EUR 210.630.000,00 into 468 SPAC II Advisors GmbH & Co. KG.

On 8 February 2022, the Company incorporated 468 SPAC II Issuance GmbH & Co. KG for an amount of EUR 500. The Company further contributed an amount of EUR 194,240 into 468 SPAC II Issuance GmbH & Co. KG.

The acquired companies are companies with no business. Consequently, the acquisition has been accounted as acquisitions of assets that do not constitute a business combination.

6. OTHER OPERATING EXPENSES

The other operating expenses of consist the following:

	From 1 January 2022 to 31 December 2022	From 4 August 2021 to 31 December 2021
	EUR	EUR
Legal fees	1,041,647	44,178
Director's fees	699,173	—
other consulting fees	673,027	—
Accounting and corporate fees	222,106	36,555
Tax advice fees	145,709	—
Audit fees (see below)	105,888	67,568
other professional fees	95,855	44,684
Regulatory fees	59,950	—
Notarial and similar fees	9,665	7,202
Bank charges	16,945	1,041
other expenses	53,047	5,980
Total	**3,123,012**	**207,208**

The total audit fees paid breaks down as follows:

	From 1 January 2022 to 31 December 2022	From 4 August 2021 to 31 December 2021
	EUR	EUR
Statutory audit of the annual accounts	105,888	67,568
Audit-related fees	—	257,984
Total	**105,888**	**325,552***

* *Only EUR 67,568 was recorded as part of the operating expenses as the remaining EUR 257,984 was considered as Private Placement related costs and were netted against the proceeds from the Private Placement (see Note 14).*

The Company did not have any employees during the year ended 31 December 2022 (2021: nil).

7. INCOME TAXES

The reconciliation between actual and theoretical tax expense is as follows:

	From 1 January 2022 to 31 December 2022	From 4 August 2021 to 31 December 2021
	EUR	EUR
Loss for the year/period before tax	(12,758,890)	(207,450)
Theoretical tax charges, applying the tax rate of 22.80%	(2,909,027)	47,298
Tax effect of adjustments from local GAAP to IFRS[1]	1,405,042	234,865
Unrecognized deferred tax assets	1,503,985	(282,163)
Income tax	—	—

The tax rate used in the reconciliation above is the Luxembourgish tax rate (22.80%) as the Company is domiciled in Luxembourg. Deferred tax assets have not been recognised in respect of the loss incurred during

1 Income taxes payable to/ recoverable from the tax authorities are determined based on the financial results of 468 SPAC II SE and its subsidiaries as shown in their stand-alone financial statements prepared in local GAAP. Hence adjustments from local GAAP to IFRS may lead to higher/ lower taxable result in the consolidated financial statements as compared to that determined based on the stand-alone financial statements.

the year ended 31 December 2022 because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Unused tax losses of the Company can be used within a period of 17 years as per Luxembourg tax law.

8. EARNINGS/CLOSS) PER SHARE

Basic earnings/(loss) per share ("EPS") is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profiU(loss) for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	From 1 January 2022 to 31 December 2022	From 4 August 2021 to 31 December 2021
Loss for the year/period	(EUR 12,758,890)	(EUR 207,450)
Weighted average number of ordinary shares for EPS	5,354,795	7,500,000
Basic and diluted EPS	**(EUR 2.38)**	**(EUR 0.03)**

	From 1 January 2022 to 31 December 2022	From 4 August 2021 to 31 December 2021
Weighted average number of potential ordinary shares which are antidilutive:		
Redeemable Class A shares	19,964,384	—
Warrants (Class A and B)	11,639,890	—
Total	**31,604,274**	—

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these consolidated financial statements.

9. CASH IN ESCROW

Cash in escrow of EUR 210,411,275 (2021: nil) consists of the gross proceeds from the Private Placement and Additional Sponsor Subscription. The cash held in escrow from the Additional Sponsor subscription is used to cover the negative interest on the escrow (See Note 13.1). The cash held in escrow from the gross proceeds on the Private Placement is set aside to pay the following, in case of Business Combination: i) payment of class A shares for which the redemption right was exercised, net of any interest, fees and taxes, ii) fixed deferred listing commission and if any, discretionary deferred listing commission (See Note 19), and iii) any remainder values will be returned to the Company.

If the Company does not consummate a Business Combination, the amounts standing on the escrow will be returned to the Company, and eventually to the holders of class A shares for the portion of the proceeds on the Private Placement, net of any interest, fees and taxes.

The fair value of cash in escrow approximate its carrying value as at 31 December 2022 (level 3). As at 31 December 2022, the negative interest on the cash in escrow amounts to EUR 218,725 (2021: nil) presented as finance cost in the consolidated statement of comprehensive income.

10. DEFERRED COSTS

Deferred costs of EUR 1,030,108 as at 31 December 2021 were composed mainly of legal costs and other professional fees incurred by the Company in relation to the public offering which, together with other Private Placement related costs, were offset against the proceeds of the planned Private Placement (See Note 14).

11. CASH AND CASH EQUIVALENTS

The amount of cash and cash equivalents was EUR 1,665,134 as at 31 December 2022 (2021: EUR 1,523,118).

The fair value of cash and cash equivalents approximate it's carrying value as at 31 December 2022 and 2021 (level 3).

12. ISSUED CAPITAL AND RESERVES

Share capital

On 4 August 2021, the subscribed share capital amounts to EUR 120,000 consisting of 12,000,000 class B shares without nominal value.

On 24 November 2021, following the extraordinary general meeting of shareholders the Company created four share classes within the class B shares and converted the existing 12,000,000 class B shares into 375,000 class B1 shares without nominal value, 2,125,000 class B2 shares without nominal value, 2,500,000 class B3 shares without nominal value and 2,500,000 class B4 shares without nominal value.

On 17 January 2022, it was resolved to reduce the share capital of the Company by redeeming 2,250,000 class B shares for EUR 0.016 per share or EUR 36,000 in total.

Upon and following the completion of the Business Combination, the class B shares existing at that point in time shall convert into class A shares in accordance with the conversion schedule (the "Promote Conversion" in the "Glossary" of the Prospectus).

The class B shares will only have nominal economic rights (i.e., reimbursement of their par value, at best, in case of liquidation). The class B shares shall not be part of the contemplated Private Placement and will not be listed on a stock exchange.

Share capital—Class A shares

On 18 January 2022, the Company issued 21,000,000 redeemable class A shares with a par value 0.016, together with class A warrants (together, a "Unit") for an aggregate price of EUR 10 per Unit, the nominal subscription price per class A warrant being EUR 0.01. The total proceeds allocated to class A shares, with the share premium amounts to EUR 209,930,000 before Private Placement costs. Because the class A shares are redeemable under certain conditions, the Management Board concluded that the class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the class A shares are considered as debt instruments (See Note 3 and 14).

Share premium

On 8 December 2021, it was resolved to raise additional funding to the Company in the form of an equity contribution in cash without the issuance of new shares (account 115 of the standard chart of accounts) for a total amount of EUR 1,080,000 in order to cover for operating expenses.

On 14 January 2022, the Management Board resolved to allocate EUR 121,400 from the share premium, in accordance with the articles of association to the warrant reserve (see below).

Other reserves

On 17 January 2022, the Co-Sponsors made an additional equity contribution in cash without issuance of new shares in the amount of EUR 2,070.

Authorised capital

The authorized capital, excluding the issued share capital, of the Company is set at EUR 11,607,456 consisting of 725,466,000 class A shares without nominal value.

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Warrant reserve

Pursuant to Article 31 of the amended Articles of Association, the Management Board shall create a specific reserve in respect of the exercise of any class A warrants or class B warrants issued by the Company (the "Warrant Reserve") and allocate and transfer sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant Reserve. The Management Board may, at any time, fully or partially convert amounts contributed to such Warrant Reserve to pay for the subscription price of any class A Shares to be issued further to an exercise of class A warrants or class B warrants issued by the Company. Only in case of failure by the Company to secure a Business Combination before the expiry of the Acquisition

Period, the Warrant Reserve may be used for redemption of class A shares, in case where other available reserves are not sufficient. The Warrant Reserve is not distributable or convertible prior to the exercise, redemption or expiration of all outstanding class A warrants and class B warrants and may only be used to pay for the class A shares issued pursuant to the exercise of such class A warrants and class B warrants; thereupon, the Warrant Reserve will become a distributable reserve.

As at 31 December 2022, EUR 121,400 has been allocated to warrant reserve from Share premium (2021: nil).

13. WARRANTS

13.1 *Class B warrants at fair value*

	No. of class B warrants	31 December 2022 EUR	31 December 2021 EUR
Sponsor Capital At-Risk	4,720,000	8,401,600	—
Additional Sponsor Subscription	420,000	747,600	—
Total	**5,140,000**	**9,149,200**	—

On 11 January 2022, the Sponsors, Co-Sponsors and the Company entered into a Sponsor Warrant Purchase Agreement. The Sponsors and the Co-Sponsors agreed, to initially subscribe to class B warrants as follows:

- 4,966,667 class B warrants at a price of EUR 1.50 per warrant or EUR 7,450,000 in total for the Sponsor Capital At-Risk and;
- 500,000 class B warrants at a price of EUR 1.50 per warrant or EUR 750,000 in total for the Additional Sponsor Subscription.

On 17 January 2022, the Sponsors, Supervisory Board members and the Company entered into a Share and Warrant Repurchase Agreement, wherein the Sponsors and Supervisory Board members sold a total of 326,667 class B warrants to the Company, for a purchase price of EUR 1.50 per warrant (EUR 490,000 in total).

The Sponsor Capital At-Risk is used to finance the Company's working capital requirements (including due diligence costs in connection with the Business Combination) and Private Placement and listing expenses, except for the deferred listing commission which will be paid from the escrow account. The Additional Sponsor Subscription is used to cover the negative interest on the escrow account. For any excess portion of the Additional Sponsor Subscription remaining after the consummation of the Business Combination, the Sponsors and the Co-Sponsors may elect to either (i) request repayment of the remaining cash portion of the Additional Sponsor Subscription by redeeming the corresponding number of class B warrants subscribed for under the Additional Sponsor Subscription or (ii) keep the class B warrants subscribed for under the Additional Sponsor Subscription.

Each class B warrant entitles its holder to subscribe for one class A share, with a stated exercise price of EUR 11.50.

On the issue date, the fair value of class B warrants was determined to be EUR 1.46 per warrant using the Black-Scholes option pricing model (level 3). The breakdown are as follows:

- Class B warrants issued as Sponsor Capital At-Risk is valued at EUR 6,891,200 and;
- Class B warrants issued as Additional Sponsor Subscription is valued at EUR 613,200. The above valuation resulted in the recognition of a day-one gain of EUR 205,600.

As at 31 December 2022, the fair value of class B warrants were determined to be EUR 1.78 per warrant using the Black-Scholes option pricing model (level 3). The breakdown are as follows:

- Class B warrants issued as Sponsor Capital At-Risk is valued at EUR 8,401,600 and;
- Class B warrants issued as Additional Sponsor Subscription is valued at EUR 747,600.

The above valuation resulted in the recognition of fair value loss of EUR 1,644,800 for the period from the issue date to the closing date, and a net fair value loss of EUR 1,439,200 for the year ended 31 December 2022. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds and equity volatility.

Class B warrants are identical to the class A warrants underlying the Units sold in the Private Placement, except that the class B warrants are not redeemable and may always be exercised on a cashless basis while held

by the Sponsor or their Permitted Transferees (defined in the prospectus). Class B warrants are not part of the Private Placement and are not listed on a stock exchange.

13.2 *Class A warrants at fair value*

On 18 January 2022, the Company issued 7,000,000 class A warrants (the "Class A warrants") together with the class A shares (together, a "Unit") for an aggregate price of EUR 10 per Unit, the nominal subscription price per Class A warrant being EUR 0.01. Hence, total proceeds in relation to the issue of the warrants amount to EUR 70,000. Class A warrants has International Securities Identification Number ("ISIN") LU2380748785. Each Class A warrant entitles its holder to subscribe for one Class A share, with a stated exercise price of EUR 11.50, subject to customary anti-dilution adjustments. Holders of Class A warrants can exercise the warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price.

On the issue date, the fair value of Class A warrants was estimated at EUR 4,830,000 (EUR 0.69 per warrant) using Monte Carlo valuation model (level 3), resulting in the recognition of a day-one loss of EUR 4,760,000.

As at 31 December 2022, the fair value of Class A warrants was estimated to be EUR 5,460,000 (EUR 0.78 per warrant) using Monte Carlo valuation model (level 3), resulting in the recognition of fair value loss of EUR 630,000 for the period from the issue date to the closing date and a net fair value loss of EUR 5,390,000 for the year ended 31 December 2022. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

Class A warrants may only be exercised for a whole number of class A shares. Class A warrants will become exercisable 30 days after the completion of a Business Combination. Class A warrants will expire five years from the date of the consummation of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem Class A warrants upon at least 30 days' notice at a redemption price of EUR 0.01 per Class A warrant if (i) the closing price of its class A shares for any 20 out of the 30 consecutive trading days following the consummation of the Business combination equals or exceeds EUR 18.00 or (ii) the closing price of its class A shares for any 20 out of the 30 consecutive trading days following the consummation of the Business Combination equals or exceeds EUR 10.00 but is below EUR 18.00, adjusted for adjustments as described in the section of redemption of warrants in the prospectus. Holders of Class A warrants may exercise them after the redemption notice is given.

14. REDEEMABLE CLASS A SHARES

On 18 January 2022, the Company issued 21,000,000 redeemable class A shares (the "Class A shares") with a par value of EUR 0.016, with ISIN code LU2380748603. The Class A shares are issued together with the Class A warrants (together, a "Unit") for an aggregate price of EUR 10 per Unit. Holders of Class A shares are entitled to one vote for each share. On the issue date, the redeemable Class A shares is measured at amortised cost valued at EUR 205,849,130, net of transaction costs amounting to EUR 4,080,870.

Transaction costs, which are incremental costs that are directly attributable to the issuance of the Class A shares and its subsequent listing to the Frankfurt Stock Exchange, were deducted from its initial fair value. The transaction costs includes Listing Fee (See Note 19), legal fees, audit fees, accounting and administration fees, agency fees and CSSF fees.

As at 31 December 2022, the amortized cost of the redeemable Class A shares amounts to EUR 208,437,072 after amortisation of EUR 2,587,942 calculated using the EIR method. This amortization is presented as part of finance cost in the consolidated statement of comprehensive income. As at 31 December 2022, the fair value of Redeemable Class A shares is estimated at EUR 210,000,000 which is the nominal value of the redemption price of the shares (level 3).

Class A Shareholders may request redemption of all or a portion of their Class A shares in connection with the Business Combination, subject to the conditions and procedures set forth in the Articles of Association. Class A shares will only be redeemed under the following conditions, (i) the Business Combination is approved by the general meeting of shareholders and subsequently consummated, (ii) a holder of Class A shares notifies the Company of its request to redeem a portion or all of its Class A shares in writing by completing a form approved by the Management Board for this purpose that will be included with the convening notice for the general meeting of shareholders and such notification is received by the Company not earlier than the publication of the notice convening the general meeting of shareholders for the approval of the Business Combination and (iii) the holder of Class A shares transfers its Class A shares to a trust depositary account

specified by the Company,(ii) and (iii) both not later than two business days prior to the date of the general meeting of shareholders convened for the purpose of approving the Business Combination.

Each Class A share that is redeemed shall be redeemed in cash for a price equal to the aggregate amount on deposit in the escrow account related to the proceeds from the Private Placement of the Class A shares and warrants, divided by the number of the then outstanding Class A Shares, subject to (i) the availability of sufficient amounts on the escrow account and (ii) sufficient distributable profits and reserves of the Company.

Because the Class A Shares are redeemable under certain conditions, the Management Board concluded that the Class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the Class A shares are considered as debt instruments (See Note 3).

15. PAYABLES TO RELATED PARTIES

15.1 *Shareholder loan*

The Company as the borrower concluded a loan agreement with the Sponsor as the lender with effect on 4 August 2021 ("Shareholder Loan"). It was agreed for the loan to be utilized for the purpose of financing third party costs and other working capital requirements until the intended Private Placement. A loan amount of up to EUR 250,000 has been granted to the Company. The loan bears annual interest rate of 2.00% and will mature on the following business day one year after the end of the earlier of (i) 30 months following the Private Placement or (ii) three months after completion of the Business Combination.

As at 31 December 2021, EUR 34,500 had been drawn by the Company from the Shareholder Loan. Total interest expense amounted to EUR 11 for the year ended 31 December 2022 (2021: EUR 242). On 10 January 2022, the Company paid the full amount including total interest amounting to EUR 253. The fair value of the Shareholder Loan approximated its carrying value as at 31 December 2021 (level 3).

15.2 *Advances from Sponsors*

In December 2021, the Co-Sponsors advanced a total amount of EUR 367,359 for the warrant subscription, of which EUR 326,658 had been applied against the warrant purchase price (See Note 13.1). On 9 June 2022, the Company paid back the remaining advances amounting to EUR 40,701. The advances bear no interest.

The fair value of the Advances from Sponsors approximates its carrying amount value as at 31 December 2022 (level 3).

15.3 *Payable to directors*

The Management Board and Supervisory Board received remuneration during the year ended 31 December 2022 as disclosed in Note 6. The outstanding balance as at 31 December 2022 amounted to EUR 157,875 (2021: nil).

16. TRADE AND OTHER PAYABLES

Trade and other payables amount to EUR 692,613 as at 31 December 2022 (2021: EUR 1,158,575).

Trade and other payables are related to legal and other services received by the Group. The carrying amount of these approximate their fair value (level 3) as at 31 December 2022 and 2021.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group conducted no operations and currently generated no revenue. They do not have any foreign currency transactions. Hence, currently the Group does not face foreign currency risks nor any interest rate risks as the financial instruments of the Group bear a fixed interest rate.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Company has completed its Private Placement and listing on the Frankfurt Stock exchange. The proceeds from the Private Placement as well as the Additional Sponsor Subscription is deposited in an escrow account. The amount held in the escrow account will only be released in connection with the completion of the Business Combination or the Company's liquidation. As at 31 December 2022, the Management Board believes that the funds available to the Group outside of the secured deposit account are sufficient to pay costs and expenses

incurred by the Group prior to the completion of the Business Combination. Furthermore, the Group has financial instruments which are presented as noncurrent liabilities which does not impose any liquidity issues to the Group. The class B warrants designated as Sponsor Capital At-Risk amounting to EUR 8,401,600 (See Note 13.1) have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation. Furthermore, the Class A warrants amounting to EUR 5,460,000 are redeemable at the option of the Company (See Note 13.2).

The maturity of Group's financial liabilities, excluding the warrants as described above, based on contractual undiscounted payments amounting to EUR 850,488 (2021: EUR 1,560,676) will mature in less than 3 months, and the redeemable class A shares in the amount of EUR 210,000,000 is due within 3 to 12 months from the reporting date.

Capital management

The Management Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to meet the capital management objective described above, the Group has raised funds through a Private Placement reserved to certain qualified investors inside and outside of Germany, and had the Class A shares and Class A warrants issued in the context of this Private Placement admitted to listing and trading on the Frankfurt Stock Exchange. The above-mentioned financial instruments issued as part of this Private Placement represent what the entity is managing as capital, although these instruments are considered as debt instruments from an accounting standpoint.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions. No specific counterparty risk is being assessed as cash and cash equivalents are mostly deposited with a P-1 (Moody's) or A-2 (S&P's) rated bank.

18. RELATED PARTIES DISCLOSURES

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions.

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables as at 31 December 2022. Please see Note 15 for the related party balances outstanding as at 31 December 2022 and 2021.

Commitments with related parties

There are no commitments with related parties, except for the provision of basic capitalization by the Parent to its subsidiaries as follows:

- To 468 II Advisors KG in the amount of EUR 700,000.

Transactions with key management personnel

There are no advances or loans granted to members of the Management Board as at 31 December 2022 and 2021.

The Management Board and Supervisory Board received remuneration during the year ended 31 December 2022 in the amount of EUR 699,173 (2021: nil) as disclosed in Note 6. The outstanding balance as at 31 December 2022 amounted to EUR 157,875 (2021: nil).

19. COMMITMENTS AND CONTINGENCIES

On 13 January 2022, the Company entered into an underwriting agreement with John Berenberg, Gassler & Co. KG ("Berenberg"), as the sole global coordinator and sole bookrunner in the context of the Private Placement. Under this agreement, the Company paid a listing fee of 1.2% of the gross proceeds from the Private Placement on the date of the completion of the Private Placement (the "Listing Fee") and is liable to pay a deferred listing commission of 2.5% on the gross proceeds from the Private Placement on the completion of the Business Combination (the "Deferred Listing Commission").

The Group has no other commitments and contingencies as at 31 December 2022.

20. EVENTS AFTER THE REPORTING PERIOD

The Company has signed a Business Combination Agreement with a target and the shareholders are expected to approve the Business Combination on the annual general meeting.

There are no other events or conditions after the reporting year requiring disclosure in or adjustment to the consolidated financial statements.

Audited Consolidated Financial Statements
as of and for the Year Ended December 31, 2021
(Prepared in Accordance with IFRS)
of 468 SPAC II SE, Luxembourg

mazars

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To the Shareholders of
468 SPAC II SE
Société européenne
R.C.S. Luxembourg B 257.664

9, rue de Bitbourg
L-1273 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **468 SPAC II SE** and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 4 August 2021 (date of registration) to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the period from 4 August 2021 (date of registration) to 31 December 2021 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the result of our audit procedures no Key Audit Matter was identified for the audit of the consolidated financial statements as of 31 December 2021.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the consolidated management report and the corporate governance statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and Those Charged With Governance of the Group for the Consolidated Financial Statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit 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 to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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, 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 opinion. 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 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of Management Board'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 our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Group to cease 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards or actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of Shareholders on 26 July 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and financial statements of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Consolidated financial statements prepared in valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2021, identified as 222100A4X237BRODWF67-2021-12-31, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Luxembourg, 29 April 2022

For Mazars Luxembourg, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 Luxembourg

Fabien DELANTE
Réviseur d'entreprises agréé

Consolidated statement of comprehensive income for the period ended 31 December 2021

	Note	Period from 4 August 2021 to 31 December 2021 EUR
Revenue		—
Other operating expenses	6	(207,208)
Operating profit/(loss)		**(207,208)**
Finance costs	9	(242)
Profit/(loss) before income tax		**(207,450)**
Income tax	7	—
Profit/(loss) for the period		**(207,450)**
Other comprehensive income		**—**
Total comprehensive income/(loss) for the period, net of tax		**(207,450)**
Profit/(loss) for the period attributable to:		
Equity holders of the parent		(207,450)
Non-controlling interests		—
		(207,450)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent		(207,450)
Non-controlling interests		—
		(207,450)
Earnings/(loss) per share attributable to equity holders of the parent:	8	
Net earnings per share		(0.03)
Diluted earnings per share		(0.03)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 December 2021

	Note	31 December 2021 EUR
ASSETS		
Current assets		
Deferred costs	10	1,030,108
Cash and cash equivalents	11	1,523,118
Total current assets		**2,553,226**
Total assets		**2,553,226**
EQUITY AND LIABILITIES		
Equity	12	
Share capital		120,000
Share premium		1,080,000
Legal reserve		—
Accumulated deficit		(207,450)
Total equity attributable to owners of the parent		992,550
Non-controlling interests		—
Total equity		**992,550**
Current liabilities		
Shareholder loan	9	34,742
Advances from Sponsors	9	367,359
Trade and other payables	13	1,158,575
Total current liabilities		**1,560,676**
Total liabilities		**1,560,676**
Total equity and liabilities		**2,553,226**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the period ended 31 December 2021

	Note	Share capital EUR	Share premium EUR	Accumulated deficit EUR	Total equity attributable to parent EUR	Non-controlling interest EUR	Total equity EUR
Issuance of Class B shares	12	120,000	—	—	120,000	—	120,000
Capital contribution without issuance of shares	12	—	1,080,000	—	1,080,000	—	1,080,000
Profit/(loss) for the period		—	—	(207,450)	(207,450)	—	(207,450)
Balance, 31 December 2021		**120,000**	**1,080,000**	**(207,450)**	**992,550**	**—**	**992,550**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the period ended 31 December 2021

	Note	Period from 4 August 2021 to 31 December 2021 EUR
Cash flows used in operating activities		
Profit/(loss) before income tax		(207,450)
Adjustment for non-cash items:		
Finance cost	9	242
Changes in working capital:		
Increase in deferred costs	10	(1,030,108)
Increase in trade and other payables	13	1,158,575
Net cash flows used in operating activities		**(78,741)**
Cash flows from financing activities		
Proceeds from Shareholder loan	9i	34,500
Proceeds from Sponsor advances	9ii	367,359
Proceeds from issuance of class B shares	12	120,000
Proceeds from additional capital contribution	12	1,080,000
Net cash flows from financing activities		**1,601,859**
Net increase in cash and cash equivalents		1,523,118
Cash and cash equivalents, beginning		—
Cash and cash equivalents at end of period		**1,523,118**

The accompanying notes form an integral part of these consolidated financial statements.

468 SPAC II SE
(formerly known as Rheinsberg SE)

Notes to the consolidated financial statements for the period ended 31 December 2021

1. GENERAL INFORMATION

468 SPAC II SE (formerly known as "Rheinsberg SE") (the "Company" or "Parent") was incorporated on 26 July 2021 (date of incorporation per the deed of incorporation as agreed between shareholders in front of the notary) in Luxembourg as a European company (Société Européenne or "SE") based on the laws of the Grand Duchy of Luxembourg ("Luxembourg"). The Company is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, in abbreviated "RCS) under the number B257664 since 4 August 2021.

The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company is managed by its management board ("Management Board") under the supervision and control of the supervisory board ("Supervisory Board"). This two-tier governance structure was resolved by extraordinary shareholders' meeting of the Company held on 2 November 2021. The Management Board is composed of Alexander Kudlich (Chief Executive Officer), Ludwig Ensthaler (Chief Investment Officer), Florian Leibert (Chief Technology Officer) and Werner Weynand (Chief Administrative Officer). The Supervisory Board members appointed consisted of Stefan Kalteis, Mato Peric and Katharina Juenger, as the Chairperson.

The sponsors of the Company are TEIXL Investments GmbH, Ophelia Capital UG and Florian Leibert (the "Sponsors"). The members of the Supervisory Board of the Company, directly or through their affiliates, as well as BD Capital GmbH and Fabian Zilker (together, the "Co-Sponsors") have also provided funds to the Company.

The Company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland that is based in the technology and technology-enabled sector with a focus on the sub-sectors consumer technology and software & artificial intelligence through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the "Business Combination"). The Company will not conduct operations or generate operating revenue unless and until the Company consummates the Business Combination. The Company will have 18 months from the date of admission to trading to consummate a Business Combination.

Upon closing of the Business Combination the above Company's purpose shall cease to apply and the Company's purpose shall be as from such time the creation, holding, management, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in Luxembourg and in foreign entities whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Accordingly, the consolidated financial statements of 468 SPAC II SE and its subsidiaries (collectively the "Group") were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union for the period from 4 August 2021 (date of registration of the Company with the RCS) to 31 December 2021 and were authorised for issue in accordance with a resolution of the Management Board on 28 April 2022. Any act performed and any transaction carried out by the Company

between the date of incorporation and the date of registration is considered to emanate from the Company and is therefore included in the consolidated financial statements. The consolidated financial statements are published in accordance with the European Single Electronic Format regulation on the Company's website (https://www.468spac2.com/).

On 18 January 2022, the Company issued 21,000,000 redeemable class A shares with a par value of EUR 0.016 with ISIN code LU2380748603 under the symbol SPV2 and 7,000,000 class A warrants with ISIN LU2380748785 under the symbol SPVW. Subsequently the Company has been admitted to trading on Frankfurt Stock Exchange, on 20 January 2022 (see Note 17).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Company's financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year which started on 4 August 2021 (date of registration with the RCS) and ended on 31 December 2021.

The consolidated financial statements have been prepared on a going concern basis (see Note 3) and in accordance with IFRS published by the International Accounting Standards Board (IASB) and adopted by the European Union. They are also prepared in Euros (EUR) which is the Group's presentation and functional currency and have been prepared under the historical cost convention.

2.2. Basis of consolidation

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

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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is the presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

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 control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3. Summary of significant accounting policies

International accounting standards include IFRS, IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee) and IFRICs (International Financial Reporting Interpretations Committee).

The repository adopted by the European Commission is available on the following internet site: http://ec.europa.eu/finance/accounting/ias/index_en.htm

a) New standards, amendments and interpretations that were issued but not yet applicable in as at 31 December 2021 and that are most relevant to the Group

- **Reference to the Conceptual Framework—Amendments to IFRS 3:** In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

  At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

- **Amendments to IAS 1—not yet endorsed by the EU:** Classification of Liabilities as Current or Non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

- **Amendments to IAS 1 and IFRS Practice Statement 2:** Disclosure of Accounting policies. In February 2021, the IASB issued amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

- **Amendments to IAS 8:** Definition of Accounting Estimate. In February 2021, the IASB issued amendments to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.

- **Amendments to IAS 12—not yet endorsed by the EU:** Deferred Tax related to Assets and Liabilities arising from a Single Transaction. In May 2021, the IASB amended the standard to reduce diversity in the way that entities account for deferred tax on transactions and events, such as leases and decommissioning obligations, that lead to the initial recognition of both an asset and a liability. The amendments apply for annual reporting periods beginning on or after 1 January 2023 and may be applied early.

- **Amendments to IAS 37:** Onerous Contracts—Cost of Fulfilling a Contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

- **Annual improvements to IFRS Standards 2018-2020:** The annual improvements to IFRS consists of amendments to IFRS 1, IFRS 9, IFRS 16, and IAS 41. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory. Currently, the Management Board

anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Group.

b) Business combinations and goodwill

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

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

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

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

When the amount of aggregate consideration transferred is in excess of the fair value of the net assets acquired a goodwill is recognised. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

c) Foreign currencies

These consolidated financial statements are presented in EUR, which is the parent's and subsidiaries functional currency and presentation currency.

Transactions denominated in currencies other than the EUR are recorded at the exchange rate at the transaction date.

d) Financial instruments

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 Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset.

Financial assets: The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

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 and loss, transaction costs.

Financial assets measured at amortised cost: This is the category most relevant to the Group. A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Group includes in this category cash and cash equivalents.

Financial liabilities: The financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Group's financial liabilities include trade and other payables, interest-bearing loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities measured at amortised cost: This is the category most relevant to the Group. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the consolidated statement of comprehensive income.

Derecognition: A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Impairment of financial assets: The Group has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to its financial assets. Therefore the Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

e) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The carrying amounts of these approximate their fair value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

f) Fair value measurement

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 to 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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, 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 the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

h) Taxes

Income tax recognized in the consolidated statement of comprehensive income includes current and deferred taxes.

Current tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are tested for impairment on the basis of a tax planning derived from management business plans.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment due to the ongoing outbreak of a novel strain of the coronavirus ("COVID-19").

In December 2019, a COVID-19 outbreak was reported in China, and, in March 2020, the World Health Organization declared it a pandemic. Since being initially reported in China, the coronavirus has spread to over 150 countries. Given the ongoing and dynamic nature of the COVID-19 crisis, it is difficult to predict the impact on the business of potential targets. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others. The ongoing COVID-19 pandemic, the increased market volatility and the potential unavailability of third-party financing caused by the COVID-19 pandemic as well as restrictions on travel and in-person meetings, which may hinder the due diligence process and negotiations, may also delay and/or adversely affect the Business Combination or make it more costly.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

As at 31 December 2021, the significant areas of estimates, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements are:

- Going concern: The Management Board's underlying assumption to prepare the consolidated financial statements is based on the anticipated successful completion of the Private Placement and the Business Combination. Further, the Sponsor has also granted an interest-bearing loan to the Company of up to EUR 250,000 to finance third party costs and other working capital requirements until its intended Private Placement (Note 9).
- Deferred costs: According to the Management Board's underlying assumption of a successful admission to Frankfurt Stock Exchange, the related amounts incurred as transaction costs as at 31 December 2021 that qualify as incremental costs directly attributable to the Private Placement are deferred until the effects of the Private Placement is reflected in the accounts. These deferred costs will be deducted from the proceeds of the Private Placement. If the listing is not completed, deferred costs will have to be recognised as an expense (Note 10).
- Deferred tax asset: A deferred tax asset in respect of the tax losses incurred has not been recognised as the Management Board's estimates uncertainty in terms of future taxable profit against which the Group can utilise the benefits therefrom (Note 7).

4. GROUP INFORMATION

Subsidiaries

The Group has been newly established on 10 August 2021. The wholly-owned subsidiaries of the Group as at 31 December 2021 are 468 SPAC II Advisors Verwaltungs-GmbH (formerly "aptus 1795. GmbH") and 468 SPAC II Advisors GmbH & Co. KG (formerly "cor 67. GmbH & Co. KG").

The consolidated financial statements of the Group include the Company and the subsidiaries.

The parent company

The Parent company of the Group is 468 SPAC II SE.

Segment information

The Group is currently organised as one reportable segment. The Group has been deemed to form one reportable segment as the Parent and its subsidiaries have been established together for the purpose of acquiring one operating business i.e. the Business Combination (Note 1).

5. ACQUISITION OF SUBSIDIARIES

The Company acquired 468 SPAC II Advisors Verwaltungs-GmbH and 468 SPAC II Advisors GmbH & Co. KG for ("468 II Advisors KG") an amount of EUR 28,800 which included cash balances of EUR 25,100 (thereof EUR 25,000 from 468 SPAC II Advisors Verwaltungs-GmbH and EUR 100 from 468 SPAC II Advisors GmbH & Co. KG), acquisition related costs of EUR 3,700.

The acquired company is a company with no business. Consequently, the acquisition has been accounted as acquisition of asset that does not constitute a business combination.

6. OTHER OPERATING EXPENSES

The other operating expenses of EUR 207,208 consist of fees for accounting, legal and other services not related to the Private Placement. Directors' fees included in other operating expenses amount to EUR 13,249 as at 31 December 2021.

The total audit fees paid are broken down as follows:

	Private placement related costs (See Note 10) EUR	Recorded as part of Other Operating expenses EUR	From 4 August 2021 to 31 December 2021 EUR
Statutory audit of the annual accounts	—	67,568	67,568
Audit-related fees	257,984	—	257,984
Total	**257,984**	**67,568**	**325,552**

The Company did not have any employees during the financial period ended 31 December 2021.

7. INCOME TAXES

The reconciliation between actual and theoretical tax expense is as follows:

	31 December 2021 EUR
Loss for the period before tax	(207,450)
Theoretical tax charges, applying the tax rate of 22.80%	47,298
Tax effect of adjustments from local GAAP to IFRS[1]	234,865
Unrecognised deferred tax assets	(282,163)
Income tax	—

1 Income taxes payable to / recoverable from the tax authorities are determined based on the financial results of 468 SPAC II SE and its subsidiaries as shown in their stand-alone financial statements prepared in local GAAP. Hence adjustments from local GAAP to IFRS may lead to higher / lower taxable result in the consolidated financial statements as compared to that determined based on the stand-alone financial statements.

The tax rate used in the reconciliation above is the Luxembourgish tax rate (22.80%) as the Company is domiciled in Luxembourg. Deferred tax assets have not been recognised in respect of the loss incurred during the period ended 31 December 2021 because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Unused tax losses of the Company can be used within a period of 17 years as per Luxembourg tax law.

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share ("EPS") is calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Currently, no other diluting instruments have been issued. Therefore, basic EPS equals diluted EPS as at 31 December 2021.

9. PAYABLE TO RELATED PARTIES

i) Shareholder loan between the Company and the Sponsor

The Company as the borrower concluded a loan agreement with the Sponsor as the lender with effect on 4 August 2021 ("Shareholder Loan"). It was agreed for the loan to be utilized for the purpose of financing third party costs and other working capital requirements until the intended Private Placement. A loan amount of up to EUR 250,000 has been granted to the Company. The loan bears annual interest rate of 2.00% and will mature on the following business day one year after the end of the earlier of (i) 30 months following the Private Placement or (ii) three months after completion of the Business Combination.

As at 31 December 2021, EUR 34,500 has been drawn by the Company from the Shareholder Loan. Total interest expense and accrued amounted to EUR 242 for the period ended 31 December 2021. On 10 January 2022, the Company paid the full amount including total interest amounting to EUR 253.

The Parties may further intend that prior to the settlement of the Private Placement the Sponsor, at its full discretion, shall have the option to convert the Shareholder Loan into class B warrants of the Company either by way of setting-off its repayment claim under this Shareholder Loan against the Cash Purchase Price (as defined in the Shareholder Loan) under the Founder Agreement or by converting its repayment claim into additional class B warrants of the Company.

ii) Advances from Sponsors

In December 2021, the Sponsors advanced a total amount of EUR 367,359 for the warrant subscription (see Note 17). The advances bears no interest.

The fair value of the payable to related parties approximate its carrying value as at 31 December 2021 (level 3).

10. DEFERRED COSTS

Deferred costs of EUR 1,030,108 as at 31 December 2021 is composed mainly of legal costs and other professional fees incurred by the Company in relation to the Private Placement which, together with other Private Placement related costs as disclosed in Note 16, will be offset against the proceeds of the Private Placement.

11. CASH AND CASH EQUIVALENTS

The amount of cash and cash equivalents was EUR 1,523,118 as at 31 December 2021. The fair value of cash and cash equivalents approximate its carrying value as at 31 December 2021 (level 3).

12. ISSUED CAPITAL AND RESERVES

Share capital and Share premium

Share capital

The subscribed share capital amounts to EUR 120,000, consisting of 12,000,000 class B shares without nominal value. The Company may also issue class A Shares.

On 24 November 2021, following the extraordinary general meeting of shareholders the Company created four share classes within the class B shares and converted the existing 12,000,000 class B shares into 375,000 class B1 shares without nominal value, 2,125,000 class B2 shares without nominal value, 2,500,000 class B3 shares without nominal value and 2,500,000 class B4 shares.

Subject to the completion of the Business Combination, all class B shares are automatically converted into Class A shares at a ratio of one Class A share for one class B share following the day of expiration of the Sponsor Lock-up (as defined below) (the "Promote Conversion").

The class B shares will only have nominal economic rights (i.e., reimbursement of their par value, at best, in case of liquidation). The class B shares shall not be part of the Private Placement and will not be listed on a stock exchange.

Share premium

On 8 December 2021, it was resolved to raise additional funding to the Company in the form of an equity contribution in cash without the issuance of new shares (account 115 of the standard chart of accounts) for a total amount of EUR 1,080,000 in order to cover for operating expenses.

Authorised capital

The authorized capital, excluding the issued share capital, was set at EUR 1,000,000 consisting of 100,000,000 shares without nominal value.

On 24 November 2021, the general meeting of shareholders decided to increase the authorized capital up to EUR 11,943,456 consisting of 746,466,000 class A shares without nominal value.

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

13. TRADE AND OTHER PAYABLES

Trade and other payables amount to EUR 1,158,575 as at 31 December 2021.

Trade and other payables are related to legal and other services received by the Group. The carrying amounts of these approximate their fair value (level 3).

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group consists of newly formed companies that have conducted no operations and currently generated no revenue. They do not have any foreign currency transactions. Hence, currently the Group does not face foreign currency risks nor any interest rate risks as the financial instruments of the Group bear a fixed interest rate.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Upon completion of the Private Placement by the Group, 100% of the gross proceeds of this Private Placement, as well as the additional Sponsor subscription referred to in Note 17, will be deposited in an escrow account. The amount held in the escrow account will only be released in connection with the completion of the Business Combination or the Group's liquidation. Following the completion of the Private Placement, the Management Board believes that the funds available to the Group outside of the secured deposit account, together with the available shareholder loan will be sufficient to pay costs and expenses which are incurred by the Group prior to the completion of the Business Combination.

Capital management

The Management Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to meet the capital management objective described above, the Group intended to raise funds through a private placement reserved to certain qualified investors inside and outside of Germany, and to have the class A shares issued in such private placement admitted to listing and trading on the regulated market segment of the Frankfurt Stock Exchange, as completed on 18 January 2022 (see Note 17). The above-mentioned financial instruments issued as part of this Private Placement represents what the entity will manage as capital although these instruments are considered as debt instruments from an accounting standpoint.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions. No specific counterparty risk is being assessed as cash and cash equivalents are mostly deposited with a P-1 (Moody's) or A-2 (S&P's) rated bank.

15. RELATED PARTIES DISCLOSURES

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions.

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables as at 31 December 2021. Please see Note 9 for the outstanding related party balance as at 31 December 2021.

Commitments with related parties

There are no commitments with related parties, except as disclosed in Note 9.

Transactions with key management personnel

There are no advances or loans granted to members of the Management Board and Supervisory Board as at 31 December 2021.

The Company did not grant any emoluments to and has no commitments in respect of retirement pensions towards members of its Management Board and Supervisory Board during the period ended 31 December 2021, except those disclosed in Note 6.

16. COMMITMENTS AND CONTINGENCIES

In the context of the planned Private Placement, the Company intended to enter into respective contracts with different providers, the total cost of which is estimated at EUR 1.6 million. On top of those EUR 1.6 million, the Company also intended to enter into an agreement with John Berenberg, Gossler & Co KG, as the sole global coordinator and sole bookrunner in the context of the planned private placement, as disclosed in Note 17.

The Group has no other commitments and contingencies as at 31 December 2021 besides those disclosed in Note 17.

17. EVENTS AFTER THE REPORTING PERIOD

On 11 January 2022, the Sponsors, 468 Special Opportunities GmbH & Co. KG, the Co-Sponsors and the Company entered into a Sponsor Warrant Purchase Agreement. The Sponsors and the Co-Sponsors agreed, inter alia, under the Sponsor Capital At-Risk to initially subscribe to an aggregate of 5,466,667 Sponsor Warrants at a price of EUR 1.50 per Sponsor Warrant (EUR 8,200,001 in the aggregate) in a private placement. This has been subsequently amended on 17 January 2022 as disclosed below.

On 13 January 2022, the Company entered into an underwriting agreement with John Berenberg, Gossler & Co. KG ("Berenberg"), as the sole global coordinator and sole bookrunner in the context of the planned Private Placement. Under this agreement, the Company paid a Listing Fee of 1.2% of the gross proceeds from the Private Placement on the date of the completion of the Private Placement and is liable to pay a Deferred Listing

Commission of 2.5% on the gross proceeds from the Private Placement on the completion of the Business Combination.

On 14 January 2022, the Company, Berenberg and a third party (the "Facilitation Agent") have entered into the Facilitation Agent Agreement in which the Facilitation Agent has agreed to solicit interest investors for Units in the Private Placement. The Company agreed to pay the Facilitation Agent a fee of 2% on the proceeds of the Private Placement raised from investors procured by the Facilitation Agent. The fee paid to the Facilitation Agent does not reduce the fees payable to Berenberg.

On 14 January 2022, the Management Board resolved to increase the Share capital from EUR 120,000 to EUR 456,000 from its authorized capital.

On 17 January 2022, in connection with the Private Placement and the Listing, it was resolved to reduce the Share capital of the Company from EUR 456,000 to EUR 420,000 by redeeming 2,250,000 Sponsor Shares. Pursuant to an agreement (the "Sponsor Share and Warrant Repurchase Agreement"), the Sponsors have sold a total of 2,025,000 Sponsor Shares and the Supervisory Board entities have sold a total of 225,000 Sponsor Shares to the Company for EUR 0.016 per Sponsor Share. In addition, the Sponsors and Co-Sponsors sold a total of 297,133 and 29,534 Sponsor Warrants, respectively, to the Company for a purchase price of EUR 1.50 per Sponsor Warrant. Furthermore, the Supervisory Board Entities have sold a total of 3,132 Sponsor Warrants for a purchase price of EUR 1.50 per Sponsor Warrant to BD Capital and Fabian Zilker. The Co-Sponsors committed to make an additional equity contribution in cash without issuance of new shares in the amount of EUR 2,070.30 into the Company's reserve as an additional purchase price for the Sponsor Shares.

On 18 January 2022, the Company issued 21,000,000 redeemable class A shares with a par value of EUR 0.016 with ISIN code LU2380748603 under the symbol SPV2 and 7,000,000 class A warrants with ISIN LU2380748785 under the symbol SPVW. Subsequently the Company has been admitted to trading on the Frankfurt Stock Exchange, on 20 January 2022.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Luhansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against Ukraine on 24 February 2022.

Following the military conflict initiated by Russia against Ukraine on 24 February 2022, there has been a significant increase in volatility on the securities and currency markets. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy. The Management Board regards these events as non-adjusting events after the reporting period. Although neither the Company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Management Board continues to monitor the evolving situation and its impact on the financial position and results of the Company. The impact of the war in Ukraine and its implications cannot be quantified at this point in time

There are no other significant subsequent events after balance sheet date, other than those disclosed herein.

Audited Consolidated Financial Statements
as of and for the Year Ended December 31, 2022
(Prepared in Accordance with IFRS)
of Marley Spoon AG, Berlin

1 Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2022

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2021

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

CONSOLIDATED STATEMENT OF CASH FLOWS

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

2 Description of the business & segment information

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

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

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

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

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

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

Segment reporting

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

Operating EBITDA, a measure of segment performance, excludes the effects of special items such as equity-settled share-based payments, as well as significant items of income and expenditure that are the result of an isolated, non-recurring event, such as costs

EUR in thousands	2022						
	USA	Australia	Europe	Total	Holdings	Conso	Group
Total revenue	197,436	154,264	49,542	401,242	29,542	(29,542)	401,242
Internal revenue	—	—	—	—	(29,542)	29,542	—
External revenue	197,436	154,264	49,542	401,242	—	—	401,242
Contribution margin[(1)]	57,824	47,770	9,738	115,332	29,542	(29,542)	115,332
Operating EBITDA	**11,852**	**8,775**	**(29,451)**	**(8,825)**	**—**	**—**	**(8,825)**
Internal charges & royalties	(11,823)	(8,632)	(1,407)	(21,863)	—	21,863	—
Special items[(2)]	(2,400)	884	(1,202)	(2,718)	—	—	(2,718)
Depreciation and amortization	(6,215)	(4,259)	(5,632)	(16,106)	—	—	(16,106)
EBIT	**(8,587)**	**(3,232)**	**(37,692)**	**(49,512)**		**21,863**	**(27,649)**
Intercompany interest	(3,051)	(2,315)	(2,313)	(7,679)	—	7,679	—
Interest on lease liabilities	(1,946)	(708)	(401)	(3,055)	—	—	(3,055)
External financing costs	(6,794)	(172)	(2,193)	(9,159)	—	—	(9,159)
Fair value changes	—	(7)		(7)	—		(7)
Derivative financial instruments							
Earnings before tax	**(20,378)**	**(6,434)**	**(42,600)**	**(69,411)**	**—**	**29,542**	**(39,869)**

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 & royalty	(8,842)	(6,946)	(3,510)	(19,298)	—	19,298	—
Special items[(2)]	—	(184)	(1,564)	(1,748)	—	—	(1,748)
Depreciation and amortization	(3,974)	(2,013)	(3,101)	(9,088)	—	—	(9,088)
EBIT	**(22,576)**	**(8,434)**	**(12,406)**	**(62,713)**		**19,298**	**(43,415)**
Intercompany interest	(3,306)	(1,211)	(1,536)	(6,053)	—	6,053	—
Interest on lease liabilities	(1,728)	(450)	(369)	(2,547)	—	—	(2,547)
External financing costs	(1,694)	(542)	(1,364)	(3,600)	—	—	(3,600)
Gain on contract extinguishment	—	2,562	—	2,562	—	—	2,562
Fair value changes derivative financial instruments	—	125	—	125	434	—	559
Earnings before tax	**(29,304)**	**(7,950)**	**(9,188)**	**(72,226)**	**434**	**25,350**	**(46,441)**

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

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

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

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

3 Revenue

Marley Spoon provides meal kit solutions on a weekly basis to customers across eight countries. The Company's business model differs from the conventional grocery supply chain by eliminating the need for

intermediaries, such as wholesalers or distributors, and connecting products directly with the customer. Ingredients can be purchased just-in-time, are packed in temperature conditioned fulfillment centers and are delivered from there to the customer with insulated packaging and/or chilled transportation.

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

4 Other income and expense items

This note provides a disaggregation of the items included in financing income and financing expense in the Statement of Comprehensive

Income and an analysis of operating expenses by nature. Information about specific profit and loss items (such as gains and losses in

relation to financial instruments) is disclosed in the related balance sheet notes.

4.1 Breakdown of expenses by nature

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

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

4.2 Financing income and expenses

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

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

EUR in thousands	2022	2021
Bank fees & other expenses	(225)	(247)
Nominal interest expense on borrowings	(8,823)	(3,104)
Interest on lease liabilities	(3,054)	(2,552)
Currency translation losses	(182)	—
Effects of effective interest method on borrowings	—	(97)
Financing expense	**(12,284)**	**(6,000)**

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

5 Income tax expense

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

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

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

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

6 Financial assets and financial liabilities

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

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

6.1 Financial assets and financial liabilities

The Group holds the following financial instruments:

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

Financial liabilities (EUR in thousands)	Notes	31 December 2022	31 December 2021
Financial liabilities measured at amortized cost			
Interest bearing loans and borrowings (current & non-current)	6.7	78,602	56,517
Trade and other payables	6.8	26,405	27,574
Other financial liabilities	6.9	14,801	11,424
		119,808	**95,515**
Financial liabilities measured at fair value			
Derivative financial instruments	6.2	—	70
Total		**119,808**	**95,585**

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

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

6.2 Derivative financial instruments

The derivative financial instruments break down as follows:

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

Forward derivative

The derivative financial instruments include a forward exchange contract, and the fair value is defined by the current exchange rate and

the contractual terms (level 2).

6.3 Fair value of financial instruments

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

(a) in the principal market for the asset or liability or

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

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

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

Level 1—quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2—valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3—valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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

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

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

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

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

6.4 Non-current financial assets

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

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

6.5 Trade receivables

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

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

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

6.6 Cash and cash equivalents

Cash and cash equivalents are comprised as follows:

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

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

6.7 Interest bearing loans and borrowings

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

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

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

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

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

Berliner Volksbank (BVB)

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

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

AU asset financing

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

temporary working capital facility extended by NAB in March 2019 (under which AUD 1,977 thousand were drawn at 5.79% p.a.).

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

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

Chefgood equipment loan

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

Insurance financing

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

Runway Growth Capital credit facility

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

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

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

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

Loan arrangements in 2021 included as well:

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

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

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

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

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

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

6.8 Trade and other payables

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

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

6.9 Other financial liabilities

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

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

7 Non-financial assets and liabilities

7.1 Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

7.2 Right-of-use assets

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

The Group also applied the available practical expedients wherein it:

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

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

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

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

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

The following are amounts recognized in profit or loss:

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

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

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

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

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

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

Payment schedule for the next 12 months

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

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

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

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

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

7.3 Intangible assets

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

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

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

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

7.4 Deferred taxes

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent it is probable that taxable profit will be available against which the losses or temporary differences can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be

recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

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

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

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

7.5 Inventories

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

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

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

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

7.6 Employee benefit obligations

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

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

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

7.7 Other current financial assets

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

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

7.8 Contract liabilities and other non-financial liabilities

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

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

7.9 Other disclosures according to German GAAP

Number of employees

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

Auditors' fees

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

8 Equity

8.1 Share capital and capital reserve

	Share Capital		Treasury Stock		Capital Reserve	Total
In thousands	Number of Shares	Nominal amount (EUR)	Number of Shares	Paid in (EUR)	Paid in (EUR)	(EUR)
As at 1 January 2021	**256**	**256**	**—**	**—**	**229,671**	**229,927**
Issuance of share capital	—	—	—	—	—	—
Conversion of bonds	28	28	—	—	20,455	20,483
Exercise of warrants	—	—	—	—	—	—
Transaction costs for issuance of shares	—	—	—	—	(70)	(70)
Receipt of shares for employee option exercise	—	—	(6)	(6)	6	6
Shares transferred to employees	—	—	5	5	(5)	(5)
Cash on exercise of share options	—	—	—	—	212	212
As at 31 December 2021	**284**	**284**	**(1)**	**(1)**	**250,268**	**250,551**
Issuance of share capital	10,148	10,148	—	—	5,721	15,869
Conversion of free capital	28,904	28,904	—	—	(28,904)	—
Transaction costs for issuance of shares	—	—	—	—	(613)	(613)
Receipt of shares for employee option exercise	—	—	(1)	(1)	1	—
Shares transferred to employees	—	—	2	2	(2)	—
Cash on exercise of share options	—	—	—	—	(9)	(9)
As at 31 December 2022	**39,336**	**39,336**	**—**	**—**	**226,462**	**265,800**

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

equating to 284,051,000 CDIs on issue. See below for details of the increase in share capital from company funds. The Management Board is authorized to increase the registered share capital upon consensus of the shareholders. The total amount of payments above the par value of 1 Euro have been recorded as capital reserve in the Statement of Financial Position with a value of EUR 226,462 thousand as at 31 December 2022 (2021: EUR 250,268 thousand).

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

During the period

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

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

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

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

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

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

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

During the previous period

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

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

8.2 Other reserves / other share-based payments

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

Other reserves include a balance for the Employee Stock Option Program (ESOP) and the Stock Option Plan (SOP 2019, 2020, 2021 & 2022) which are equity-settled share-based payments.

Prior to the IPO, the Company issued rights under historical "virtual share plans" to most of its salaried employees (the ESOP plans). Following the listing on the ASX, all of these then outstanding rights (whether vested or unvested) were consolidated and replaced with substantially equivalent rights over shares (or CDIs) referred to as "option rights" under a plan referred to as the "existing option rights plan". Unvested rights will continue to vest in accordance with their current vesting schedule. No further rights were or will be issued under the existing option rights plan (or the historical "virtual share plans") following the IPO. This replacement of the former plan by the new plan was accounted for as a modification. However, the replacement did not result in any incremental fair value to be recognized. As at 31 December 2022, all ESOP share options outstanding have an exercise price equal to EUR 0.00, except 8 share options (31 December 2021: 8 share options).

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

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

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

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

	Number of awards [CDIs]
Number of awards outstanding 31 December 2020	13,912,611
Thereof: exercisable/vested	6,391,230
Granted during 2021	6,714,000
Forfeited during 2021	(2,914,506)
Exercised during 2021	(5,614,425)
Expired 2021	(24,428)
Number of awards outstanding 31 December 2021	12,073,252
Thereof: exercisable/vested	4,842,439
Granted during 2022	6,925,272
Forfeited during 2022	(5,609,382)
Exercised during 2022	(13,908)
Expired 2022	—
Number of awards outstanding 31 December 2022	13,375,234
Thereof: exercisable/vested	6,966,172

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

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

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

8.3 Currency translation reserve

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

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

9 Critical estimates and judgements

9.1 Significant estimates or judgements

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

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

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

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

9.2 Going concern

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

The Group's ability to meet its financial obligations as they fall due and continue as a going concern depends on the Company's ability to maintain a positive cash balance. Management's forecast entails a positive cash balance for the next twelve months assuming a contribution margin expansion to at least 30% and a reduction in G&A expenses as a percent of net revenue by at least 1 percentage point for the fiscal year 2023 as compared to FY 2022. The development of cash flows could be negatively impacted by macroeconomic or external factors such as volatile customer behavior, cost inflation, supply chain disruptions or higher interest rates.

In case of these potential headwinds the Group's ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by additional margin expansion and cost reduction. Management expects the Group to be able to address these additional headwinds with the respective measures.

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

10 Financial risk management

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

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

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

10.1 Market risk

The Group has exposure to the following market risk:

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

Direct materials price risk

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

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

Sensitivities to direct materials price risk:

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

Foreign currency risk

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

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

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

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

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

Interest rate risk

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

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

10.2 Credit risk

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

disclosed. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset listed below:

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

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

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

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

(1) Receivables from related parties

(2) Rebate receivable due from a supplier on volume purchases

10.3 Liquidity risk

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

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

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

Maturity analysis

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

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

11 Group structure

11.1 Subsidiaries

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

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

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

11.2 Capital management

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

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

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

12 Contingencies & commitments

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

subsidiaries.

13 Related party transactions

Parties are considered to be related if they are under common control or if one of the parties has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In addition, a related party is any executive

officer, director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such person.

13.1 Significant beneficial security holders

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

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

13.2 Key executive and non-executive compensation

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

Key Executive Management / Management Board

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

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

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

Supervisory Board

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

For the services as a member of the Supervisory Board during the financial year 2022, the base remuneration for all board members was EUR 63,723 (AUD 100,000). The base remuneration is inclusive of any applicable taxes, social contributions, superannuation, and other duties imposed on the respective member of the Supervisory Board. Individual board members that serve as chairman of the Company's committees receive the following additional remuneration: EUR 63,723 (AUD 100,000) for the Chairman of the Supervisory Board and EUR 12,745 (AUD 20,000) for the Chairman of the ARC and of the NRC Committees. There is no equity-based remuneration for the Supervisory Board in 2022.

During the Supervisory Board initial term (i.e., until the Company's 2021 AGM), the following non-executive KMP received 50% of their base compensation in CDIs in the Company (calculated at the offer price of A$ 1.42 per CDI and issued to the respective non-executive Director for a subscription price of EUR 1.00) and the remainder in cash: Ms. Shiff, Ms. Anderson (who departed as a non-executive Director in August 2022), and Mr. O'Sullivan (who departed as a non-executive Director in January 2020). Ms. Low did not receive any portion of her 2020 compensation in CDIs in the Company. Mr. Schuh (departed as non-executive Director in June 2021) agreed to forego his entitlement to any of the above fees (including CDIs) during the Supervisory Board initial term.

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

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

13.3 Transactions with other related parties

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

14 Earnings per share

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

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

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

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

15 Assets pledged as security

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

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

16 Chefgood acquisition

On 4 January 2022, the Group, through its Australian subsidiary Marley Spoon Pty Limited, acquired 100% of the share capital of Chefgood Pty Ltd (Chefgood), a Melbourne-based ready-to-heat meal provider. The acquisition provides Marley Spoon a foothold in a growing and complementary category of prepared meals in Australia and will allow the Company to leverage its operational, digital and customer assets. The acquisition has been accounted for using the acquisition method. As the legal acquisition was closed on 4 January 2022, revenue and profit/loss from Chefgood for the period 4 January—31 December 2022 is included in the consolidated financial statements and within the operations of the Australian segment (note 2). If the business

had been acquired on 1 January 2022, total revenue of the Group would have no impact due to holidays in Australia.

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

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

	Fair value recognized on acquisition date
Liabilities	
Trade payables	(842)
Goods and services tax	(148)
Pay as you go tax (PAYG)	(105)
Employee entitlements	(43)
Deferred income	(193)
Deferred tax liabilities	(1,782)
Non-current employee benefits	(41)
Total liabilities	(3,154)
Total identifiable net assets at fair value	4,991
Goodwill arising on acquisition	8,974

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

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

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

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

In December 2022, the valuation was completed and the acquisition date fair value of the acquired developed website was EUR 1,301 thousand, an increase from the incomplete provisional assessment as at 30 June 2022. As a result, there was an increase in the deferred tax liability of EUR 384 thousand. There was also a corresponding reduction in goodwill of EUR 916 thousand, resulting in EUR 8,974 thousand of total goodwill

arising on the acquisition. The increased depreciation charge on the developed website from the acquisition date to 31 December 2022 was not material.

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

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

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

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

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

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

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

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

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

17 Goodwill

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

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

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

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

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

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

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

18 Summary of significant accounting policies

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

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

18.1 Basis of preparation

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

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

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

18.2 Basis of consolidation

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

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

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

18.3 Foreign currency translation

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

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

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

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

18.4 Current versus non-current presentation

The Group presents assets and liabilities in the Statement of Financial Position based on a current/non-current classification. An asset is

current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in the normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

18.5 Financial instruments

Initial recognition and measurement

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

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

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

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

Financial liabilities

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

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

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

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

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

18.6 Operating leases

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

18.7 Sublease

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

18.8 Intangible assets

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

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

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to

determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Trademarks, licenses and customer contracts

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

Software

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

Environmental credits

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

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

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

18.9 Cash and cash equivalents

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

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

18.10 Inventories

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

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

18.11 Provisions

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

Contingent liabilities recognized in a business combination

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

18.12 Decommissioning liability

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

18.13 Contract liabilities

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

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

18.14 Employee benefits

Share-based compensation

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

Other employee benefit obligations

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

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

18.15 Taxes

Current income tax

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

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

Deferred taxes

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

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

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

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

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

Sales tax

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

18.16 Impairment

Non-financial assets (other than inventories)

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

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

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

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

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

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

Non-derivative financial assets

The Group recognizes loss allowances for expected credit losses (ECLs) on:

(a) financial assets measured at amortized cost;

(b) financial assets measured at fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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

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

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

18.17 Revenue recognition

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

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

The Group has a single performance obligation to fulfill for its customers, which is the promise to deliver the ordered meal kit directly to the customer. Revenue is recognized only when the above performance obligation

is satisfied, namely, upon delivery of the meal kit. The Group does not provide a right of return for its products given that the good provided contains fresh produce.

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

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

18.18 Cost of goods sold

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

18.19 Fulfillment expenses

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

18.20 Marketing expenses

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

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

18.21 General and administrative expenses

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

18.22 Borrowing Costs

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

18.23 Business combinations and goodwill

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

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs. Inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or to significantly contribute to the ability to continue producing outputs and is considered unique or

scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

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

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

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

18.24 Changes in accounting policies and disclosures

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

19 Events occurred after the reporting period

BVB loan extension

In January 2023 Berliner Volksbank (BVB) extended the Company's EUR 5,000 thousand loan by one month to February 2023 while negotiations for a renewal were underway. The renewal was finalized in February 2023 and extends the EUR 5,000 thousand money market loan, retaining the same interest rate of 6.5% + EURIBOR per annum. The loan can be drawn down for 90 days and extended automatically until up to April 30, 2024 if certain milestones are reached.

20 Closed group disclosure

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

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

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

Entities subject to relief

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

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

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

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

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

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

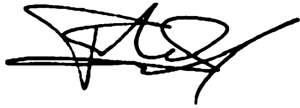
Consolidated statement of profit or loss

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

Consolidated statement of financial position

EUR in thousands	31-Dec-22	31-Dec-21
ASSETS		
Non-current assets		
Property, plant and equipment	10,228	9,907
Right-of-use assets	9,723	10,075
Lease Receivables	420	581
Intangible assets	16,366	8,795
Goodwill	9,016	—
Other non-current financial assets	1,927	1,891
Intercompany Loans	113,462	115,679
Intercompany Investments	13,968	13,968
Total non-current assets	**175,110**	**160,896**
Current assets		
Inventories	4,440	2,689
Trade and other receivables	144	272
Other current financial assets	1,811	1,789
Intercompany Receivables	10,679	6,015
Cash and cash equivalents	9,946	20,576
Total current assets	**27,020**	**31,341**
Total assets	**202,130**	**192,237**
LIABILITIES AND EQUITY		
Lease liabilities	8,310	8,404
Interest bearing loans and borrowings—non-current	10,588	12,475
Non-current provisions	1,830	643
Deferred tax liabilities	1,781	—
Total non-current liabilities	**22,509**	**21,522**
Current liabilities		
Trade and other payables	11,327	10,927
Derivative financial instruments	—	70
Contract liabilities	734	1,489
Interest bearing loans and borrowings—current	6,834	5,252
Lease liability—current	2,557	2,447
Other financial liabilities	7,322	4,351
Other non-financial liabilities	1,943	1,941
Intercompany Payables	15,847	17,397
Total current liabilities	**46,564**	**43,874**
Equity		
Share capital	39,336	284
Treasury stock	—	(1)
Capital reserve	228,483	250,268
Other reserves	8,516	7,507
Currency translation reserve	(340)	1,558
Share capital subsidiaries	4,792	4,792
Accumulated net earnings (losses)	(147,730)	(137,567)
Total equity	**133,057**	**126,841**
Total liabilities and equity	**202,130**	**192,237**

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



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

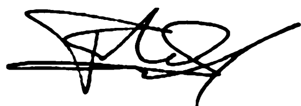
Jennifer Bernstein
Chief Financial Officer, Member of the Management Board

Rolf Weber
Chief Operating Officer, Member of the Management Board

RESPONSIBILITY STATEMENT

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

Berlin, 27 February 2023



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

Jennifer Bernstein, Chief Financial Officer
Member of the Management Board

Rolf Weber, Chief Operating Officer
Member of the Management Board

The following independent auditor's report refers to the consolidated financial statements as well as the group management report, each prepared in accordance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e para. 1 of the German Commercial Code (Handelgesetzbuch), of Marley Spoon AG, Berlin, as of and for the fiscal year ended December 31, 2022, as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages. The group management report is not part of this prospectus.

INDEPENDENT AUDITORS' OPINION

Independent Auditors' Report

To: Marley Spoon AG

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

Opinions

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

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

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

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

Basis for the opinions

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

Material uncertainty related to going concern

We refer to the information in Note 9.2 in the consolidated financial statements and in section 3 of the group management report in which the executive directors state that the Group's ability to meet its financial obligations as they fall due and continue as a going concern depends on the Company's ability to maintain a positive cash balance. Management's forecast entails a positive cash balance for the next twelve months assuming a contribution margin expansion to at least 30% and a reduction in G&A expenses as a percent of net revenue by at least 1 percentage point for the fiscal year 2023 as compared to FY 2022. The development of cash flows could be negatively impacted by macroeconomic or external factors such as volatile customer behavior, cost inflation, supply chain disruptions or higher interest rates. In case of these potential headwinds the Group's ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by additional margin expansion and cost reduction. We draw attention to

the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and that represents a going concern risk pursuant to Sec. 322 (2) Sentence 3 HGB.

Our opinions are not modified in respect of this matter.

Key audit matters in the audit of the consolidated financial statements

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

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

Revenue recognition

Reasons why the matter was determined to be a key audit matter

The Group generates revenue from the sale of food boxes. Revenue is recognized when the customer obtains control over the food boxes. Revenue is presented net of various sales discounts associated with rebate campaigns.

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

Auditor's response

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

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

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

Reference to related disclosures

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

Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Berlin, 27 February 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

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

Audited Consolidated Financial Statements
as of and for the Year Ended December 31, 2021
(Prepared in Accordance with IFRS)
of Marley Spoon AG, Berlin

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	8.3	**(1,087)**	**(567)**
Items that may be subsequently reclassified to profit or loss			
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	Note	Attributable to Owners of the Parent								
		Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserves	Total	Attributable NCI	Equity
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	Note	Attributable to Owners of the Parent								
		Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserves	Total	Attributable NCI	Equity
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**

Notes to the Consolidated Financial Statements

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.

	2021						
EUR in thousands	**USA**	**Australia**	**Europe**	**Total**	**Holdings**	**Conso**	**Group**
Total revenue	149,421	117,756	55,216	322,393	25,350	(25,350)	322,393
Internal revenue	—	—	—	—	25,350	(25,350)	—
External revenue	149,421	117,756	55,216	322,393	—	—	322,393
Contribution margin[1]	39,363	39,964	12,458	91,785	25,350	(25,350)	91,785
Operating EBITDA	**(9,760)**	**709**	**(23,528)**	**(32,579)**	**—**	**—**	**(32,579)**
Internal charges & 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)**

	2020						
EUR in thousands	**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

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

	2020			
EUR in thousands	**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	20,130	—	3,158	21,946
Wages and salaries				
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:

(a) in the principal market for the asset or liability or

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

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

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

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

Level 1—quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2—valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3—valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

EUR in thousands			31 December 2021		31 December 2020	
Financial assets	**Note**	**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 AU											
Asset	2,512	—	—	—	(2,650)	125	13	—	—	—	**—**
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

	Share Capital		Treasury Stock		Capital Reserve	Total
In thousands	Number of Shares	Nominal amount (EUR)	Number of Shares	Paid in (EUR)	Paid in (EUR)	(EUR)
As at 1 January 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:

	31 December 2021				31 December 2020		
EUR in thousands	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:

	31 December 2021			31 December 2020		
EUR in thousands	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 compensation[(1)]	**933**	**793**

(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 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.

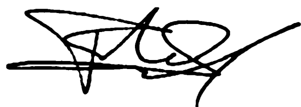
Equity raise

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.



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

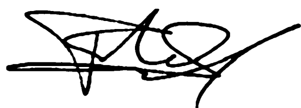
Jennifer Bernstein
Chief Financial Officer, Member of the Management Board

Rolf Weber
Chief Operating Officer, Member of the Management Board

RESPONSIBILITY STATEMENT

To the best of our knowledge and pursuant to applicable accounting principles for consolidated financial statements, we assure that a true and fair view of the financial position and performance is conveyed, that in the Marley Spoon management report, the progression of business, including the business results and the position of Marley Spoon, are presented so as to convey a true and fair view, and that the main opportunities and risks entailed in the Group's prospective development are described.

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

The following independent auditor's report refers to the consolidated financial statements as well as the group management report, each prepared in accordance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e para. 1 of the German Commercial Code (Handelgesetzbuch), of Marley Spoon AG, Berlin, as of and for the fiscal year ended December 31, 2021, as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages. The group management report is not part of this prospectus.

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]

Audited Consolidated Financial Statements
as of and for the Year Ended December 31, 2020
(Prepared in Accordance with IFRS)
of Marley Spoon AG, Berlin

1 Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR in thousands	Note	2020	2019
ASSETS			
Non-current Assets			
Property, plant, and equipment	7.1	11,163	7,716
Right-of-use assets	7.2	9,878	12,432
Intangible assets	7.3	4,939	3,439
Non-current financial assets	6.4	3,044	1,356
Total non-current assets		**29,024**	**24,943**
Current Assets			
Inventories	7.5	6,570	3,736
Trade Receivables	6.5	697	522
Other non-financial assets	7.7	2,356	2,352
Cash and cash equivalents	6.6	34,438	5,433
Total Current Assets		**44,061**	**12,044**
Total Assets		**73,085**	**36,987**
LIABILITIES AND EQUITY			
Lease liabilities	7.2	6,746	8,192
Interest bearing loans and borrowings	6.7	17,725	36,369
Derivative financial instruments	6.2	3,479	2,521
Total non-current liabilities		**27,950**	**47,082**
Current liabilities			
Trade and other payables	6.8	17,472	12,919
Derivative financial instruments	6.2	215	62
Contract liabilities	7.8	944	234
Interest bearing loans and borrowings	6.7	3,433	773
Lease liabilities—current	7.2	4,591	5,143
Other financial liabilities	6.9	7,864	5,279
Other non-financial liabilities	7.8	2,488	1,213
Total Current Liabilities		**37,008**	**25,622**
Equity			
Share capital	8.1	256	159
Capital reserve	8.1	229,671	99,417
Other reserves	8.2	6,166	5,736
Currency translation reserve	8.3	(550)	17
Accumulated net earnings (losses)		(226,485)	(140,246)
Equity attributable to equity holders of the parent		**9,058**	**(34,916)**
Non-controlling interests		(930)	(800)
Total Equity		**8,127**	**(35,716)**
Total Liabilities and Equity		**73,085**	**36,987**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in thousands	Note	2020	2019
Revenue	3	**254,033**	**129,558**
Cost of goods sold	4.1	(133,287)	(71,763)
Gross profit		**120,746**	**57,795**
Fulfilment expenses	4.1	(46,601)	(25,463)
Marketing expenses	4.1	(39,294)	(34,243)
General & administrative expenses	4.1	(42,279)	(32,873)
Earnings before interest & taxes (EBIT)		**(7,428)**	**(34,784)**
Financing income	4.2	64	37
Financing expenses	4.2	(7,450)	(5,635)
Derivative Instruments	4.2	(71,414)	5,540
Earnings before taxes (EBT)		**(86,229)**	**(34,841)**
Income tax expenses	5	(140)	(31)
Loss for the year		**(86,369)**	**(34,872)**
Net income / (loss) for the year attributed to:			
Equity holders of the parent		(86,239)	(34,549)
Non-controlling interest		(130)	(324)
Other comprehensive income / (loss) for the year	8.3	**(567)**	**1**
Items that may be subsequently reclassified to profit or loss			
Foreign exchange effects		(567)	1
Total comprehensive income / (loss) for the year, net of tax		**(86,936)**	**(34,872)**
Total comprehensive income attributable to:			
Equity holders of the parent		(86,806)	(34,548)
Non-controlling interests		(130)	(324)
Basic and diluted earnings per Share	15	(0.46)	(0.24)

STATEMENT OF CHANGES IN EQUITY 2020

		Attributable to Owners of the Parent								
EUR in thousands	Note	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserve	Total	Attributable NCI	Equity
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		**—**		**—**	**—**	**(86,239)**	**(567)**	**(86,806)**	**(130)**	**(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
Shares transferred to Employees	8.1		2	(1,667)						(1.667)
Cash on Exercise of employee options	8.1	—		119		—	—	119	—	119
Employee Share-based payment expense	8.2	—		—	430	—	—	430	—	430
Transaction costs for issuance of Shares		—		(2,276)	—	—	—	(2,276)	—	(2,276)
Balance as at 31 December 2020		**256**		**229,671**	**6,166**	**(226,485)**	**(550)**	**9,058**	**(930)**	**8,127**

STATEMENT OF CHANGES IN EQUITY 2019

		Attributable to Owners of the Parent							
EUR in thousands	Note	Share Capital	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Translation Reserve	Total	Attributable to NCI	Equity
Balance as at 1 January 2019		**140**	**95,458**	**5,368**	**(105,692)**	**17**	**(4,709)**	**(477)**	**(5,186)**
Net income / (loss) for the period		—	—	—	(34,554)	—	(34,554)	(323)	(34,877)
Total Comprehensive Income		**—**	**—**	**—**	**(140,246)**	**17**	**(39,262)**	**(800)**	**(40,061)**
Issuance of Share capital	8.1	18	3,959	—	—	—	3,977	—	3,977
Employee Share-based payment expense	8.2	—	—	369	—	—	369	—	369
Balances as at 31 December 2019		**159**	**99,417**	**5,736**	**(140,246)**	**17**	**(34,916)**	**(800)**	**(35,715)**

STATEMENT OF CASH FLOWS

EUR in thousands	Note	2020	2019
Operating activities			
Net income for the period (loss)		**(86,369)**	**(34,872)**
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	7.1	1,227	948
Depreciation of right-of-use assets	7.2	3,510	2,986
Amortization and impairment of intangible assets	7.3	1,755	688
Increase (decrease) in Share-based payments	8.2	430	369
Financing income and expense	4.2	78,801	58
Interest paid	4.2	(288)	(974)
Other non-cash movements	8.3	470	(292)
Working capital adjustments:			
Decrease (increase) in inventory	7.5	(2,834)	(296)
Increase (decrease) in accounts payable and accrued expenses	6.8/6.9	7,466	664
Decrease (increase) receivables	6.5	(175)	26
Increase (decrease) in other assets and liabilities	6.4/7.7/7.8	413	422
Net cash flows from operating activities		**4,407**	**(30,273)**
Investing activities			
Purchase of property, plant, and equipment	7.1	(5,234)	(4,405)
Purchase/development of intangible assets	7.3	(3,333)	(1,848)
Net cash flows used in investing activities		**(8,568)**	**(6,253)**
Financing activities			
Proceeds from the issuance of Share capital	8.1	43,827	4,072
Proceeds from exercise of Warrants	8.1	2,013	—
Proceeds from employee Option exercise	8.1	119	—
Costs from the issuance of Share capital	8.1	(2,276)	(95)
Proceeds from borrowings	6.7	3,464	43,199
Cost from borrowings	6.7	(474)	(653)
Paid interests		(749)	(469)
Repayment of borrowings	6.7	(7,563)	(9,068)
Lease payments	7.2	(4,668)	(3,679)
Net cash flows from/ (used in) financing activities		**33,694**	**33,308**
Net increase (decrease) in cash and cash equivalents		29,533	(3,218)
Net foreign exchange difference		(527)	8
Cash and cash equivalents as at 1 January		**5,433**	**8,643**
Cash and cash equivalents as at 31 December		**34,438**	**5,433**

Notes to the Consolidated Financial Statements

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, judgments and errors
Financial risk management
Capital management
Group structure

2 Description of the business & segment information

These 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 create original recipes, which are sent along with fresh, high-quality, seasonal ingredients directly to customers for them to prepare, cook, and enjoy. Customers can choose which recipes they would like to receive in a given week, and receive the pre-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).

The activities currently span nine countries: Australia (AU), Austria (EU), Belgium (EU), Denmark (EU), Germany (EU), the Netherlands (EU), Portugal (EU), Sweden (EU) and the United States of America (US). These activities comprise three operating segments which are Australia (AU), Europe (EU), and the United States of America (US).

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) 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 17 ("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. In addition, no segmentation is provided on the Group assets and liabilities since these amounts are not regularly reviewed by the CODM.

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, 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.

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 & royalties	(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)**

EUR in thousands	2019						
	USA	Australia	Europe	Total	Holdings	Conso	Group
Total revenue	56,122	48,830	24,605	129,558	12,157	(12,157)	129,558
Internal revenue	—	—	—	—	12,157	(12,157)	—
External revenue	56,122	48,830	24,605	129,558	—	—	129,558
Contribution margin(1)	11,356	16,053	4,924	32,332	12,157	(12,157)	32.332
Operating EBITDA	**(13,023)**	**(1,688)**	**(15,088)**	**(29,799)**	**—**	**—**	**(29,799)**
Internal charges & royalty	(3,404)	(2,994	(1.030)	(7,429)	—	7,429	—
Special items(2)	—	—	(369)	(369)	—	—	(369)
Depreciation and amortization	(2,229)	(889)	(1,503)	(4,621)	—	—	(4,621)
EBIT	**(18,657)**	**(5,571)**	**(17,990)**	**(42,218)**	**—**	**7,429**	**(34,784)**
Intercompany interest	(3,108)	(889	(732)	(4,729)		4,729	—
Interest on lease liabilities	(1,165)	(229)	(199)	(1,593)			(1,593)
External financing costs	(343)	(62)	(3,599)	(4,004)	—	—	(4,004)
Fair value changes derivative financial instruments	—	—	—	—	5,540	—	5,540
Earnings before tax	**(23,273)**	**(6,751)**	**(22,520)**	**(52,544)**	**5,540**	**12,157**	**(34,841)**

(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) expense EUR 430 thousand (2019: EUR 369 thousand).

The 2020 revenues generated within Germany amounted to EUR 15,355 thousand (2019: EUR 7,568 thousand). Revenues from 2020 for all other countries amounted to EUR 238,678 thousand (2019: EUR 121,989 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, Portugal, 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 delightful, market fresh, and easy cooking solutions to its customers in eight countries. The product is a meal kit, which is delivered on a weekly basis directly to customers at their designated delivery time and it contains all key ingredients required to prepare delightful homemade meals.

The 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

	2020			
EUR in thousands	**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**

	2019			
EUR in thousands	**Cost of Goods Sold**	**Fulfilment Expense**	**Marketing Expense**	**General & Administrative**
Raw materials and direct fulfillment costs	58,122	25,463	—	—
Other operating expense	—	—	31,030	9,161
Depreciation and amortization	2,504	—	—	1,278
Employee benefits expenses				
Wages and salaries	9,727	—	2,852	19,585
Social security costs	726	—	186	1,277
Defined contribution plan expenses	684	—	175	1,203
Share-based payment expense	—	—	—	369
Total	**71,763**	**25,463**	**34,243**	**32,873**

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.

EUR in thousands	**2020**	**2019**
Interest earned on bank balances	31	29
Currency translation gains (losses)	33	8
Financing Income	**64**	**37**

EUR in thousands	2020	2019
Nominal interest expense on borrowings	(1,707)	(3,070)
Interest on lease liabilities	(1,763)	(1,593)
Retirement cost on borrowings	(474)	—
Effects of effective interest method on borrowings	(3,506)	(972)
Financing Expense	**(7,450)**	**(5,635)**

EUR in thousands	2020	2019
Derivative financial instrument changes in fair value	(71,414)	5,540
Derivative Instrument	**(71,414)**	**5,540**

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	2020	2019
Current tax expense	(140)	(31)
Deferred tax	—	—

EUR in thousands	2020	2019
EBT	**(86,229)**	**(34,841)**
Tax calculation at domestic tax rates applicable to results in the respective jurisdiction	25,140	9,513
Tax impact of non-deductible expenses		
–Share-based payment expense	129	109
–Fair value adjustments derivatives	21,037	(1,629)
–Other	(183)	15
Taxes for prior years	(114)	0
Unrecognized tax losses for the year	4,131	8,039
Income tax benefit (expense) for the year	**(140)**	**(31)**
Effective tax rate	**—%**	**—%**

The weighted average applicable tax rate for the year ended 31 December 2020 was 29.2% (2019: 27.3%) 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 2020.

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 2020	31 December 2019
Financial assets measured at amortized cost			
Non-current financial assets	6.4	3,044	1,356
Trade and other receivables	6.5	697	522
Total		**3,741**	**1,878**

Financial Liabilities (EUR in thousands)	Notes	31 December 2020	31 December 2019
Financial Liabilities measured at amortized cost			
Borrowings (current & non-current)	6.7	21,157	35,522
Trade and other payables	6.8	17,472	12,919
Other financial liabilities	6.9	7,864	5,279
Financial Liabilities measured at fair value		**46,495**	**53,720**
Derivative financial instruments	6.2	3,694	2,583
Total		**50,189**	**56,303**

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)	2020	2019
Financial assets measured at amortized cost	31	29
Financial liabilities measured at amortized cost	(7,417)	(5,306)
Financial liabilities measured at fair value through profit and loss	(71,414)	(5,220)
Total	**(78,801)**	**(57)**

6.2 Derivative financial instruments

The derivative financial instruments break down as follows:

EUR in thousands	31 December 2020	31 December 2019
Warrant agreements	—	6
Forward derivatives	215	56
Derivative financial instruments—current	**215**	**62**
Convertible right on the bonds	3,479	2,521
Derivative financial instruments—non-current	**3,479**	**2,521**
Balance as at 31 December	**3,694**	**2,583**

Warrant agreements

The Group granted Warrants, which are classified as a derivative financial liability at the date of initial recognition and recognized at fair value. An option pricing model is used to determine the fair value of the warrant agreements at the relevant dates (level 3). Public market data, e.g., the risk-free interest rate (December 2019: 0.00%) and other input data were used. Especially relevant is the Share price at valuation and balance sheet date (AUD 270 per Share as at 31 December 2019) and the volatility (31 December 2019: 56.01%). Gains and losses arising from changes in fair value are recognized in the Statement of Comprehensive Income in the period during which they arise.

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).

Convertible bonds agreements

The Group issued convertible bonds during 2020 and 2019, 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 (31 December 2020: 0.00%) and other input data were used. Especially relevant is the Share price at valuation and balance sheet date (AUD 270 per Share), the volatility (31 December 2020: 79.24%) 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. Please also refer to note 6.7.

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.

			31 December 2020		31 December 2019	
EUR in thousands Financial assets	**Note**	**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Other non-current financial assets	6.4	n/a	3,044	3,044	1,356	1,356
Trade and other receivables	6.5	n/a	697	697	522	522
Cash and cash equivalents	6.6	n/a	34,438	34,438	5,433	5,433
Total			**38,180**	**38,180**	**7,311**	**7,311**

Financial liabilities		**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Borrowings (current & non-current)	6.7	n/a	21,158	21,158	37,142	37,142
Trade and other payables	6.8	n/a	17,472	17,472	12,919	12,919
Forward	6.2	2	215	215	56	56
Derivative financial instruments (non-current)	6.2	3	3,479	3,479	2,521	2,521
Other financial liabilities	6.9	n/a	7,864	7,864	5,279	5,279
Total			**50,189**	**50,189**	**57,917**	**57,917**

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	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)**	**—**

EUR in thousands	2019	
	Convertible Options	Warrant
Balance as at 1 January	—	(12)
Issuances	(8,027)	—
Gains / (losses) included in profit & loss		
Net change in the fair value	5,506	6
Transfers	—	—
Balance as at 31 December	**(2,521)**	**(6)**

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 (31 December 2019: EUR 6 thousand).

Sensitivity analysis Warrant

Derivative financial liabilities resulting from warrant agreements are measured at fair value. The most significant parameter in the applied option pricing model is the Share price of the company observable on the Australian Stock Exchange (ASX). The sensitivity analysis for the Share price as at 31 December 2020 shows no impact to earnings as all Warrants were exercised (2019: EUR 2 thousand, if the Share price was 10% higher).

Sensitivity analysis convertibles

Derivative financial liabilities resulting from convertible agreements are measured at fair value. The most significant parameter in the applied option pricing model is the Share price of the company observable on the Australian Stock Exchange (ASX). The sensitivity analysis for the Share price as at 31 December 2020 shows a potentially negative earnings effect of EUR 86 thousand (2019: EUR 354 thousand) if the Share price was 10% higher.

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 increased from EUR 899 thousand at the end of 2019 to 3,018 thousand on December 31, 2020.

EUR in thousands	31 December 2020	31 December 2019
Other non-current Financial Assets	3,044	1,356

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 2020	31 December 2019
Trade and other receivables	697	522

The Group has EUR 26 thousand receivables against related parties. The Group has not recorded an allowance for uncollectible amounts collected by Payment Service Providers (PSPs), 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 2020	31 December 2019
Cash at banks	34,438	5,433

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

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 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 C	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[(B)]	**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**

EUR in thousands	Opening Balance 1 January 2019	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 2019
Moneda[(A)]	6,898	—	—	(6,898)	—	—	—	—	—	—	—
BVB[(C)]	2,500	—	—	—	—	—	—	—	—	—	2,500
USV I	—	10,008	(4,204)	—	—	607	736	—	(458)	—	6,689
Acacia I	—	2,008	(844)	—	—	122	138	—	—	—	1,424
WC loan	—	2,000	—	(2,000)	—	—	—	—	—	—	—
WOW I	—	15,885	(1,951)	—	—	340	47	—	—	—	14,322
USV II	—	2,500	(800)	—	—	52	47	—	—	—	1,799
WOW II	—	2,500	(228)	—	—	46	3	—	—	—	2,321
WTI	—	6,676	—	(87)	—	64	—	—	(194)	—	6,459
AU asset financing	—	1,557	—	—	—	—	—	—	—	—	1,557
Loan 4[(B)]	78	60	—	–83	—	11	—	—	—	—	67
Other	—	4	—	—	—	—	—	—	—	—	4
Total	**9,476**	**43,199**	**(8,027)**	**(9,068)**	**—**	**1,241**	**972**	**—**	**(653)**	**—**	**37,141**

(A)—Moneda: Effective 16 August 2017, the Group entered into a EUR 6,000 thousand unsecured loan agreement with an affiliate of certain Shareholders. This loan was repaid in full in 2019.

(B)—Loan 4 is associated with the financing of intangible assets. Total contract duration is three years and the loan remains outstanding at 31 December 2020.

(C)—Loan 8 or BVB: In December 2018, the Company entered into and fully drew an unsecured loan in the amount of EUR 2,500 thousand. The term of the loan was January 2021, with interest payable on a quarterly basis in arrears. The loan was paid in full on 30 January 30 2021

Group's total borrowing of EUR 21,158 thousand (2019: EUR 37,141 thousand) is comprised of the following arrangements:

USV I

USD 11,400 thousand Commercial Loan with Union Square Ventures

Effective as of 25 January 2019, the Company as the borrower, and two funds administered by Union Square Ventures (USV) as the lenders, entered into an unsecured commercial loan agreement (USV CLA I) in the aggregate amount of USD 11,400 thousand. On 22 March 2019, the Company exercised its right to substitute the USV CLA I by issuing to USV two convertible bonds (*Wandelschuldverschreibungen*) in the aggregate amount of USD 11,400 thousand (see directly below for details). These convertible bonds were issued against the repayment and other claims under the USV CLA I being contribution in kind (*Sacheinlag*e) into the Company. Consequently, the USV CLA I was fully repaid and ceased to exist on 22 March 2019.

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. The USV I Bonds can be converted into an aggregate amount of 32,127 Shares / 32,127 thousand CDIs in the Company at any time during their term, subject to certain excluded periods being observed. In case a change of control occurs prior to conversion, an additional prepayment fee of USD 11,400 thousand has to be paid to USV if the Company elects to terminate and redeem the USV I Bonds.

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.

Acacia I

USD 2,276 thousand Convertible Bonds with Acacia

On 22 March 2019, the Company further 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. The Acacia Bonds can be converted into an aggregate amount of 6,414 Shares / 6,414 thousand CDIs in the Company at any time during their term, subject to certain excluded periods being observed. In case a change of control occurs prior to conversion, an additional prepayment fee of USD 2,276 thousand has to be paid to Acacia if the Company elects to terminate and redeem the Acacia Bonds.

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.

WOW I

AUD 25,950 thousand Secured Commercial Loan Agreement with WOW

Effective as of 7 June 2019, the Company and an affiliate of Woolworths Group Ltd. (WOW) entered into a secured commercial loan agreement (WOW SCLA I) in the aggregate amount of AUD 25,950 thousand. Subsequently, the Company exercised its right to substitute the WOW SCLA I by issuing to WOW two convertible bonds (*Wandelschuldverschreibungen*) in the aggregate amount of AUD 25,950 thousand (see directly below for details). These convertible bonds were issued against the repayment and other claims under the WOW SCLA I being contribution in kind (*Sacheinlage*) into the Company. Consequently, the WOW SCLA I was fully repaid and ceased to exist on 26 September 2019.

AUD 25,950 thousand Convertible Bonds with WOW

On 26 September 2019, the Company issued to 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 have a term of 5 years from the issue date. The tranches bear interest in the amount of 7% p.a. payable at the end of the term, unless WOW exercises its right to convert the WOW I Bonds into securities in the Company. The WOW I Bonds are 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. The number of Shares / CDIs in the Company to be issued to WOW under the respective WOW I Bond differs:

The WOW I Bond, tranche 1 can be converted by WOW into a certain number of Shares / CDIs in the Company after two years from the issue date until the end of its term, subject to certain excluded periods being observed. On conversion of the WOW I Bond, tranche 1, the number of Shares / CDIs to be issued to WOW will (subject to the Cap I and Cap II (each as defined below)) be calculated as follows (WOW Conversion Formula):

$$\frac{\textbf{AUD 23,000 thousand x AustCo Growth Factor}^{1}}{\textbf{Conversion Price}^{2}}$$

The number of number of Shares / CDIs in the Company to be issued to WOW pursuant to the WOW Conversion Formula is subject to specific limitations: if either of the following calculations results in a number of Shares / CDIs which is lower than the number of Shares / CDIs resulting from the application of the WOW Conversion Formula, then the number of Shares / CDIs to be issued to WOW will be the lower number of Shares / CDIs calculated as follows:

- AUD 23,000 thousand / AUD 0.384 (Cap I)
- AUD 23,000 thousand / AUD 0.30 (Cap II)

In the event that the calculation of Cap I results in a lower number of Shares / CDIs than the lower of the number of CDIs resulting from the WOW Conversion Formula and the calculation of Cap II, the Company is obliged to pay WOW an additional cash amount which is calculated as follows:

(a) In the event that the number of Shares / CDIs resulting from the calculation of Cap II is higher than the number of Shares / CDIs resulting from the WOW Conversion Formula: by multiplying (i) the result of the difference between the number of Shares / CDIs resulting from the WOW Conversion Formula and the number of Shares / CDIs resulting from the calculation of Cap I with (ii) the Conversion Price.

(b) In the event that the number of Shares / CDIs resulting from the WOW Conversion Formula is higher than the number of Shares / CDIs resulting from the calculation of Cap II: by multiplying (i) the result of the difference between the number of Shares / CDIs resulting from the calculation of Cap II and number of Shares / CDIs resulting from the calculation of Cap I with (ii) the Conversion Price.

The WOW I Bond, tranche 2 can be converted by WOW into 5,900 Shares / 5,900 thousand CDIs in the Company at any time during its term, subject to certain excluded periods being observed.

If on conversion of the WOW Bonds, the Shares / CDIs to be issued to WOW result in WOW holding more than 24.9% in the Company, then the Company can elect to settle the exceeding portion in cash rather than in Shares / CDIs.

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.

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). The USV CLA II has a term of 3 years. It bears interest at a fixed rate of 12% p.a. which will only become payable if the Company does not elect to substitute the USV CLA II by two additional convertible bonds (Wandelschuldverschreibungen) in the aggregate amount of USD 2,776 thousand (USV II Bonds).

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

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1 Defined as the net revenue growth rate of Marley Spoon's Australian business as determined by the most recent reported half year net revenue divided by the net revenue of the first half of 2019.

2 Defined as the 30-trading day volume weighted average price (**VWAP**) of Shares / CDIs preceding the conversion event, which has not occurred yet.

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 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 II Bonds into securities in the Company. The USV II Bonds can be converted into an aggregate amount of 8,421 Shares / 8,421 thousand CDIs in the Company at any time during their term, subject to certain excluded periods being observed.

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). The USV CLA III has a term of 3 years. It bears interest at a fixed rate of 12% p.a. which will only become payable if the Company does not elect to substitute the USV CLA III by two additional convertible bonds (*Wandelschuldverschreibungen*) in the aggregate amount of USD 2,500 thousand (USV III Bonds).

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. These convertible bonds were issued against the repayment and other claims under the USV CLA III being contribution in kind (*Sacheinlage*) into the Company (see next paragraph). 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. The USV III Bonds could be converted into an aggregate amount of 2,414 Shares / 2,414 thousand CDIs in the Company at any time during their term, subject to certain excluded periods being observed.

On 13 November 2020, USV exercised its right to convert and the Company issued 2,414 Shares / 2,414 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). The WOW SCLA II had a term of 6 months, interest at a fixed rate of 7% p.a. which would have only become payable if the Company did not elect to substitute the WOW CLA II by one additional convertible bond (*Wandelschuldverschreibung*) in the amount of AUD 4,047,250 (WOW II Bond).

AUD 4,047 thousand Convertible Bonds with WOW

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 has a term of 5 years from the issue date. It bears 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 is 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.

The WOW II Bond can be converted by WOW into a certain number of Shares / CDIs in the Company within its term subject to certain excluded periods being observed. On conversion of the WOW II Bond, the number of Shares / CDIs will be calculated based on the formula[1] which results in the lower number of conversion Shares, i.e., either:

(a) (i) by multiplying the principal amount with a growth factor for the Company's Australian business and (ii) dividing the resulting product by the 30-day arithmetic volume-weighted average price per CDI of the Company immediately preceding the day on which a relevant conversion event occurs, multiplied by 1,000 since one (1) CDI represents the economic ownership of 1/1,000th in one Share of the Company;

$$\frac{\textbf{AUD 4,047 thousand x AustCo Growth Factor}^{2}}{\textbf{Conversion Price}}$$

(b) by dividing the principal amount by AUD 300.00.

The maximum number of conversion Shares to be issued to Woolworths Group would amount to 13,490 Shares.

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. A first tranche of the WTI SLA of USD 7,500 thousand has already been disbursed in 2019. A second tranche in the same amount is due for disbursement in 2020, subject to the Company meeting certain revenue and general & administrative expense targets. The term of the WTI SLA is 42 months. The interest rate is 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 allowing the holder to subscribe for an aggregate of 11,286 Shares / 11,286,000 CDIs in the Company. The Warrants are exercisable from the issue date and five years from the termination of the WTI SLA. In lieu of exercising such Warrants, WTI is entitled to receive a cash settlement of USD 5,750 thousand upon the earlier of a change of control and 31 December 2024. WTI has been granted a comprehensive security package, comprising of a pledge over certain assets and a guarantee of the Company, the assets of the US operating entity of the Group and, subject to certain limitations, the assets and a guarantee of the Australian operating entity of the Group. By the end of this reporting period MMM Consumer Brands Inc. did not exercise the second tranche available on this agreement.

Effective as of 13 November 2020, the Company retired its outstanding debt to WTI under this loan agreement.

AU asset financing

AUD 3,000 thousand 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.

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[1] Defined as the 30-trading day volume weighted average price (**VWAP**) of Shares / CDIs preceding the conversion event, which has not occurred yet.

[2] Defined as the net revenue growth rate of Marley Spoon's Australian business as determined by the most recent reported half year net revenue divided by the net revenue of the first half of 2019.

6.8 Trade and other payables

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

EUR in thousands	31 December 2020	31 December 2019
Trade and other payables	17,472	12,919

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 2020	31 December 2019
Other financial liabilities	7,864	5,279

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 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**

EUR in thousands	Plant and machinery	Furniture and office equipment	Assets under construction	Total
Year ended 31 December 2019				
Opening net book value	4,296	168	382	4,846
Exchange rate differences	68	2	—	71
Additions	4,257	36	—	4,293*
Disposals	(547)	—	—	(547)
Transfer of asset under construction	155	—	(155)	—
Depreciation charge	(944)	(4)	—	(948)
Closing net book value	**7,286**	**203**	**227**	**7,716**
As at 31 December 2019				
Cost	9,602	424	227	10,252
Accumulated depreciation	(2,316)	(222)	—	(2,537)
Net book value	**7,286**	**203**	**227**	**7,716**

* Additions comprise EUR 277 thousand (2019: EUR 206 thousand) unpaid as at 31 December 2020.

Leasehold improvements for offices and manufacturing centers as well as 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.

During the year ended 31 December 2020, there was no identified impairment of property, plant, and equipment.

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

Computers & Electronics	3 years
Office Equipment / Furniture	3-7 years
Machinery & Warehouse Equipment	3-10 years
Leasehold Improvements	5-15 years

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 1 January 2019	9,347	—	9,347
Additions	4,744	1,321	6,065
Depreciation Expense	(2,670)	(310)	(2,980)
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	**9,023**	**854**	**9,878**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2020	2019
As at 1 January	13,335	9,347
Additions	1,536	6,065
Exchange rate	(629)	—
Interest Expense	1,763	1,593
Payments	(4,668)	(3,670)
As at 31 December	**11,337**	**13,335**

The following are amounts recognized in profit or loss:

EUR in thousands	2020	2019
Depreciation Expense of right-of-use assets	3,510	2,980
Interest Expense on lease liabilities	1,763	1,593
Expense related to short-term leases	515	972
Expense related to leases of low-value assets	128	982
Total amount recognized in profit or loss	**5,915**	**6,527**

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.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. 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-out EUR thousand 4,591 based on agreed lease commitments in the next twelve months. 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 2021.

7.3 Intangible assets

EUR in thousands	2020
Balance as at 1 January 2020 (net)	3,439
Additions	3,252
Exchange rate differences	3
Amortization charge	(1,755)
Closing net book value (net)	**4,939**
As at 31 December, 2020	
Cost	7,734
Accumulated amortization	(2,795)
Net book value	**4,939**

Intangible assets are measured at their historical costs less accumulated amortization, impairment losses and reversal of impairment losses. Intangible assets 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.

The Group notes that during the current and prior periods, development activities have been ongoing in establishing a global Enterprise Resource Planning (ERP) software. The software is currently operational across the global organization. Current carrying value is EUR 987 thousand (2019: EUR 875 thousand) with an estimated useful life of five years.

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 2020, management has not identified indicators of impairment of the intangible assets.

The Group amortizes intangible assets with a limited useful life using the straight-line method. Software is determined to have useful life of 3-5 years.

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 2020 DTA	31 December 2020 DTL	31 December 2019 DTA	31 December 2019 DTL
Non-current Assets				
Property, plant and equipment	—	—	—	—
Intangible assets	—	714	—	693
Right of use asset	—	2,707	—	3,508
Non-current Liabilities				
Lease liability	3,029		3,706	—
Long term debt / derivative financial instruments		2,806		735
Tax loss carryforward (TLCF)	3,198		1,230	—
Total	**6,227**	**6,227**	**4,936**	**4,936**
Netting	(6,227)	(6,227)	(4,936)	(4,936)
Total after netting	—	—	—	—
DTA on temporary differences (not recognized)	—	—	—	—
DTA (not recognized) on TLCF	34,537	—	32,515	—

The total historical income tax losses (corporate and trade tax) accumulate to EUR 129,419 thousand as at 31 December 2020 (31 December 2019: EUR 123,572 thousand) resulting in a potential deferred tax asset of EUR 34,537 thousand as at 31 December 2020 (31 December 2019: EUR 32,515 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 2020 (2019: non-current).

7.5 Inventories

The inventory balance contains food, packaging and marketing items with a net balance of EUR 6,570 thousand (2019: EUR 3,736 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 2019 or 2020.

Inventories recognized as an expense during the year ended December 31, 2020 amounted to EUR 133,287 thousand (2019: EUR 71,763 thousand).

EUR in thousands	31 December 2020	31 December 2019
Raw materials	6,570	3,736

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 non-financial assets

Other non-financial assets are driven by prepayments to suppliers and tax authorities.

EUR in thousands	31 December 2020	31 December 2019
Other non-financial assets	2,356	2,352

7.8 Contract liabilities and other non-financial liabilities

Contract liabilities and other non-financial liabilities amounted to EUR 3,432 thousand as of December 31, 2020 (2019: EUR 1,447 thousand) and are related to contract liabilities, VAT, other tax and social security payables as well as vacation allowances.

EUR in thousands	31 December 2020	31 December 2019
Contract liabilities	944	234
Current other non-financial liabilities	2,488	1,213
Total	**3,432**	**1,447**

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 1,273 employees (2019: 892)

Auditors' Fees

Principal auditors' fees recognized as an expense in the reporting period were EUR 380 thousand (2019: EUR 193 thousand) for Audit and EUR 91 thousand (2019: EUR 87 thousand) for tax consultations.

8 Equity

8.1 Share capital and capital reserve

	Share Capital		Treasury Stock			
In thousands	Number of Shares	Nominal amount (EUR)	Number of Shares	Paid in (EUR)	Capital Reserve Paid in (EUR)	Total (EUR)
As at 1 January 2019	**140**	**140**			**95,458**	**95,598**
Issuance of Share Capital	19	19			3,959	3,977
As at 31 December 2019	**159**	**159**			**99,417**	**99,576**
Issuance of Share Capital	33	33			(9,443)	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)	—	—
Shares transferred to Employees	—	—	2	1,667	—	—
Cash on exercise of Share Options	—	—			119	119
As at 31 December 2020	**256**	**256**	—	—	**229,671**	**229,927**

As at 31 December 2020, the issued registered Share capital is EUR 256,025 (2019: 158,520) 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 229,671 thousand as at 31 December 2020 (2019: EUR 99,417 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, 2020 (2019: all issued and outstanding Shares are fully paid).

During the 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. Current year 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 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 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 (Note 14.2), 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.

The reduction in 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 reduction in treasury Shares is recorded in Capital Reserves. The exercise of stock options by employees in 2020 added a total consideration of EUR 119 thousand in Capital Reserves (see note 8.2).

During the previous period

During 2019, 18,050 Shares were issued as part of two cash capital increases ("Barkapitalerhöhungen"), one in June 2019 (8,200 Shares) and one in December 2019 (9,850 Shares). Total consideration of EUR 3,977 thousand was recorded in equity.

8.2 Other reserves / other Share-based payments

The total costs of Share-based payments in 2020 is EUR 430 thousand (2019: EUR 369 thousand) of which EUR 430 thousand is reflected in other reserves (2019: EUR 369 thousand).

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

The other reserves include a balance for the Employee Stock Option Program (ESOP) and the Stock Option Plans (SOP 2019 & 2020) 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.

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.

During the period, the following transactions occurred in the ESOP plans:

	Number of awards
Number of awards outstanding 31 December 2018	**6,669**
Thereof: exercisable/vested	6,115
Granted during 2019	—
Forfeited during 2019	(360)
Exercised during 2019	—
Expired 2019	—
Number of awards outstanding 31 December 2019	**6,309**
Thereof: exercisable/vested	6,208
Granted during 2020	—
Forfeited during 2020	(3)
Exercised during 2020	2,161
Expired 2020	—
Number of awards outstanding 31 December 2020	**4,145**
Thereof: exercisable/vested	4,218

As at 31 December 2020, all Share options outstanding except 273 Share options (31 December 2019: 528 Shares) have an exercise price equal to EUR 0.00.

The company entered two new employee Stock Option Plans ("**SOP**") in February 2019 and August 2019, followed by subsequent grants in February 2020 and August 2020, 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.

	Number of awards
Number of awards outstanding 31 December 2018	—
Thereof: exercisable/vested	—
Granted during 2019	5,289
Forfeited during 2019	(691)
Exercised during 2019	—
Expired 2019	—
Number of awards outstanding 31 December 2019	**4,595**
Thereof: exercisable/vested	487
Granted during 2020	6,255
Forfeited during 2020	(1,105)
Exercised during 2020	—
Expired 2020	—
Number of awards outstanding 31 December 2020	**5,150**
Thereof: exercisable/vested	2,257

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 Model	2020	2019
Value per Common Share (EUR)	0.28–3.23	0.36–0.59
Exercise Price (EUR)	0.18–1.53	0.27–0.40
Expected Volatility	57%–80%	45%
Expected Term (in months)	48	48
Expected dividend yield	—	—
Risk-free interest rate	0%	0%

Total expenses arising from Share-based payments to employee programs (ESOP, SOP 2019 & SOP 2020) recognized during the period were EUR 430 thousand (2019: EUR 369 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 17.3.1 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 December 31, 2020 is EUR 550 thousand (December 31, 2019: EUR 17 thousand). All other comprehensive loss or income is classified as equity.

9 Critical estimates and, judgements and errors

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.

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 December 31, 2020 and December 31, 2019 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.

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:

- Produce price risk
- Foreign currency risk
- Interest rate risk

Produce 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 produce price risk:

EUR in thousands	2020	2019
5% increase in produce prices	(1,315)	(762)
5% decrease in produce prices	1,315	762

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 of 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 in 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	2020	2019
(2019: 3.3%) 5.3% increase of the FX rate AUD / EUR	801	559
(2019: 3.3%) 5.3% decrease of the FX rate AUD / EUR	(801)	(559)
3.9% increase of the FX rate USD / EUR	—	482
3.9% decrease of the FX rate USD / EUR	—	(482)

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 has exposure to movements in interest rates arising from its portfolio of interest rate sensitive assets and liabilities. These principally include debt and cash.

The Group mostly has fixed interest rates on loans and does not enter into any derivative financial instruments to manage its interest rate risk. As at 31 December 2020, the Company no longer has loans that have a variable interest rate. Therefore, no interest rate risk was calculated.

EUR in thousands	2020	2019
1% increase in LIBOR	—	(124)
1% decrease in LIBOR	—	124

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 2020	31 December 2019
Other non-current financial assets	3,044	1,356
Cash and cash equivalents	34,438	5,433
Total	**37,482**	**7,311**

Credit risk related to doubtful accounts that are subject to legal action or those overdue is 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:

	31 December 2020			31 December 2019		
EUR in thousands	PSP	Customers	Total	PSP	Customers	Total
Europe	422	44	466	301	49	350
Australia	18	—	18	54	21	75
USA	121	92	213	—	97	97
Total	**561**	**136**	**697**	**355**	**167**	**522**

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 2020 the Group's current assets of EUR 44,061 thousand (2019: EUR 12,044 thousand) exceeded current liabilities of EUR 37,008 thousand (2019: EUR 25,622 thousand) by an amount of EUR 7,053 thousand (2019: EUR (13,578) thousand). The Group's cash flow from operations in 2020 was a positive EUR 4,407 thousand (2019: EUR (30,273) thousand), and the Group held a cash position of EUR 34,438 thousand (2019: EUR 5,433 thousand) as at 31 December 2020.

The Company's non-current financial liabilities, which are mainly long-term borrowings, reached EUR 27,950 thousand in the year ended 31 December 2020 (2019: EUR 47,082 thousand)

Maturity analysis

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

	31 December 2020			31 December 2019		
EUR in thousands	1–3 months	4–12 months	1–5 years	1–3 months	4–12 months	1–5 years
Trade payables & other payables	17,472	—	—	12,919		
Other financial liabilities	7,864	—	—	5,279		
Borrowings	2,730	702	17,725	702	71	36,369
Derivative financial instrument	—	215	3,479	—	62	2,521
Total	**28,066**	**918**	**21,204**	**18,900**	**133**	**38,890**

11 Capital management

The Group's objective is to sustain a strong capital base, which maintains the confidence of investors and business partners and helps to serve customers and develop the business. The Group considers its current position with reference to the stated equity ratio in determining the sources of new funding.

EUR in thousands	31 December 2020	31 December 2019
Total equity	8,127	(35,716)
Total liabilities	64,958	72,704
Total equity and liabilities	73,085	36,987
Equity ratio in %	**11%**	**–96%**

The Group had no mandated capital targets imposed in the current year. However, provisions in the currently outstanding facilities contain terms that required prior consent from existing lenders / holders before further debt financing activities could be completed. The Group sought and received prior consent from these lenders / holders (note 6.7) before entering into debt financing arrangements. Total liabilities in 2020 contain EUR 20,021 thousand convertible bonds (2019: EUR 26,555 thousand), which may convert into equity in the future.

12 Group structure

12.1 Subsidiaries

The Group's principal subsidiaries at 31 December 2020 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 2020	% equity interest 2019
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	Sydney Corporate Park 190 Bourke Road Alexandria, New South Wales 2015
Austria	Sterneckstraße 33, 5020 Salzburg
The Netherlands	Industrieweg 1, 3433 NL Nieuwegein
United Kingdom	69 Great Hampton Street, Birmingham, B18 6EW
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 2020 so that Marley Spoon Limited be exempted from auditing its financial statements.

13 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

14 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.

14.1 Parent entities

The Group does not have a senior or ultimate holding company but has various security holders. The table below shows all significant beneficial securityholders who have an accumulated interest greater than 10% of the Shares / CDI as at 31 December 2020. 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	18.89
Union Square Ventures (New York)	42,962,000	16.78
Mr. Fabian Siegel (Berlin)	24,613,433	9.61
Other Security Holders (under 10%)	140,081,144	54.71

14.2 Balances and transactions with entities with significant influence over the group

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*). Both bonds were converted by Acacia in 2020.

Union Square Ventures

On 22 March 2019, the Company issued to 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) to Union Square Ventures against contribution in kind (Sacheinlage). Both bonds were converted by USV in 2020.

Mr. Fabian Siegel

Mr. Siegel holds a significant interest in the Company through his personal entity AKW Capital GmbH, solely held and controlled by Fabian Siegel. Mr. Siegel is also the controlling direct or indirect Shareholder of several other 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. As they are jointly controlled, these entities exercise their voting and other Shareholder rights in the Company along with AKW Capital GmbH. In addition, the Group employs the Managing Director of AKW Capital GmbH (Fabian Siegel) as the Global CEO for the Group as well as Managing Director of all of the Group's subsidiaries. In 2020, when employees exercised Options in the ESOP program, Shares held by the other entities of Mr. Siegel were transferred to the beneficiaries.

All transactions listed with entities with significant influence over the Group are made at terms equivalent to those that prevail in arm's length transactions.

14.3 Key management personnel compensation

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

Key Executive Management / Management Board

The total remuneration is listed in the table below:

EUR in thousands	2020	2019
Short-term employee benefits	487	398
Share-based payments	306	43
Total compensation	**793**	**441**

The former CFO, Julian Lange, resigned from the Management Board of the Company effective 31 December 2020. He was succeeded by Jennifer Bernstein. Although Mr. Lange will not receive a severance payment from the Company, 210 (of 700) Options granted to him under the 2020 SOP will fully vest effective 31 December 2021, and the cliff period of 12 months is waived on these Options. Mr. Lange will not receive further instruments under any long-term incentive programs of the Company. Subsequent to his resignation, Mr. Lange has been hired as a part-time external consultant to the Company through 30 September 2021.

Supervisory Board

The Supervisory board was appointed in June 2018. The members of the Supervisory Board have been elected to their positions for a period terminating at the end of the Company's general meeting in CY2021 (Supervisory Board Initial Term) and contain the members as listed in the Directors' Report.

The Chairman and two other members will be entitled to receive base compensation of EUR 82 thousand (AUD 130 thousand) and EUR 51 thousand (AUD 80 thousand), respectively, per annum during the Supervisory Board Initial Term. Further, the chair of the Audit & Risk Management Committee and the chair of the Nomination & Remuneration Committee will each be entitled to receive additional compensation of EUR 12.5 thousand (AUD 20 thousand) per annum during the Supervisory Board Initial Term.

During the Supervisory Board Initial Term, the Members (other than Ms. Robin Low) received (a) 50% of their base compensation in Shares (calculated at the offer price of EUR 899 per one thousand CDIs (CHESS Depositary Interests) whereby 1,000 CDIs represent 1 actual Share) and issued to the respective member for a subscription price of EUR 1 and (b) the remainder in cash. Shares in respect of the entire Supervisory Board Initial Term were issued to members upon the completion of the settlement of the IPO, but if the member does not serve in that capacity for the entire Supervisory Board Initial Term, a proportion of such member's Shares will be transferred back by the member as directed by the Company (that proportion reflecting the proportion of the Supervisory Board Initial Term not served as a member).

For the financial year ending 31 December 2020, the cash fees payable to the current members of the Supervisory Board will amount to approximately EUR 123,000 (AUD 205,000) in aggregate.

EUR in thousands	2020	2019
Short-term employee benefits	123	132
Share-based payments	—	—
Total compensation	**123**	**132**

14.4 Transactions with other related parties

Apart from the related party transactions disclosed in note 14 and note 6.5, no other such transactions have occurred. As the Group reports at the highest level of consolidation, all transactions between the Parent Company and its subsidiaries are eliminated in consolidation.

15 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 2020 and 31 December 2019. The Group currently has Shares held under trust pertaining to the Employee Share Option Program (ESOP) that

could, if not for the anti-dilutive effects, dilute basic earnings per Share in the future. As a result, the diluted loss per Share is the same as the basic loss per Share.

	31 December 2020	31 December 2019
Loss for the year (EUR thousand)	(86,369)	(34,872)
Weighted average number of ordinary Shares in issue	187,155	146,074
Basic loss per Share	**(0.46)**	**(0.24)**

16 Assets pledged as security

As at 31 December 2020, in addition to customary supplier / landlord liens, the following assets of the Group are pledged as follows:

- All Shares in MarleySpoon Pty. Ltd. as security for WOW (EUR 4.8 million);
- Specific production equipment used by MarleySpoon Pty. Ltd as security for NAB (EUR 1,566 thousand);
- All personal property of MarleySpoon Pty. Ltd. except those pledged to NAB as security for WOW (EUR 2,950 thousand);
- Certain financed production equipment used by Marley Spoon Inc. as security for CSC Leasing (EUR 109 thousand).

17 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.

17.1 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.

17.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020. 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.

17.3 Accounting policies

The following are the significant accounting policies applied by the Company in preparing its consolidated financial statements:

17.3.1 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

17.3.2 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.

17.4 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 time frame 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 FVTPL.

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.

17.5 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.

17.6 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

Acquired 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.

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

17.7 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 include cash in hand and at banks and 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.

17.8 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).

17.9 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.

17.10 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.

17.11 Employee benefits

Share-based compensation

The Group operates equity-settled Share-based compensation benefits, which are provided to employees via an Employee Share Option Program (ESOP), previously known as virtual Share program (VSP), and Share Option Program (SOP). 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.

17.12 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 temporary differences 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.

17.13 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 countries being Germany, Netherlands, Portugal, Austria, United States of America and Australia. For the applicable policy on inventories refer to note 17.8.

Non-derivative financial assets

The Group recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost;
- 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 (PSPs) 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 being a collection pass-through only. 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.

17.14 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, a single 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.

17.15 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.

17.16 Fulfillment expenses

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

17.17 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 related to customer care activities 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.

17.18 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.

17.19 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 2020. To the extent these financial statements have changed since the 2019 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.

18 Events occurred after the reporting period

EUR 2,500 thousand loan repayment to Berliner Volksbank (BVB)

On 29 January 2021, the Company retired the 2018 unsecured loan in its entirety, repaying the outstanding aggregate amount of EUR 2,500 thousand.

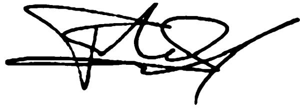
New Market

In February 2021, Marley Spoon began deliveries of Dinnerly to the Netherlands. The meal kits are shipped from the Group's fulfilment center located in the Netherlands.

New Leased Facility

On 3 February 2021 the Company signed a 10-year lease for a new fulfilment center facility in Tracy, California, adding additional capacity which will enable the US segment to respond to continued demand for Marley Spoon's products.

The consolidated financial statements were authorized by the Management Board on 24 February 2021.



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

Jennifer Bernstein

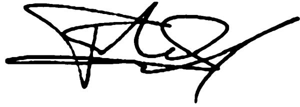
Chief Financial Officer, Member of the Management Board

Berlin, 24 February 2021

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 2021



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

Jennifer Bernstein, Chief Financial Officer

Member of the Management Board

The following independent auditor's report refers to the consolidated financial statements as well as the group management report, each prepared in accordance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e para.1 of the German Commercial Code (Handelgesetzbuch), of Marley Spoon AG, Berlin, as of and for the fiscal year ended December 31, 2020, as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages. The group management report is not part of this prospectus.

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 2020, 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 2020, 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 2020.

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 2020, and of its financial performance for the fiscal year from 1 January to 31 December 2020, 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 2020. 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:

[1] 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 17.14 "Revenue recognition" of the notes to the consolidated financial statements.

[2] Accounting of financing arrangements

Reasons why the matter was determined to be a key audit matter

The Company entered into several financing agreements in the previous and current fiscal year. Due to the variety of contractual arrangements and their treatment required under IFRS accounting standards we are of the opinion that the accounting is complex. Considering the material significance and great complexity of the issue which gives rise to an elevated risk of accounting errors, we are of the opinion that the accounting of financing arrangements is a key audit matter.

Auditor's response

As part of our audit, we assessed the accounting policies applied in the consolidated financial statements of Marley Spoon AG for the accounting treatment of financing arrangements for compliance with the applicable IFRSs.

During our audit, we analyzed the accounting policies applied in the consolidated financial statements of Marley Spoon AG for the recognition of financing arrangements to determine whether they were in line with the applicable IFRS accounting standards. We also assessed the accounting policies applied by the legal representatives of Marley Spoon AG on the basis of the underlying contracts and, in process discussions, understood the processes implemented by the legal representatives of Marley Spoon AG for the accounting of financing agreements, in particular with regard to the significant estimation assumptions made.

The appropriateness of the key assumptions used in measurement, especially the volatility, maturity dates and the interest rates, were examined by our internal valuation experts based on an analysis of market indicators and underlying contracts. We verified the mathematical accuracy of the valuation method and the calculation of interest expenses in the fiscal year based on the underlying contracts.

Our audit procedures did not reveal any exceptions relating to the accounting of financing arrangements.

Reference to related disclosures

The disclosures on the applicable accounting policies can be found in Section 6.2 "Derivative financial instruments" and Section 6.7 "Interest bearing loans and borrowings" of the notes to the consolidated financial statements".

Other information

The supervisory board is responsible for the supervisory board report. 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 KPIs
- the letter by the management board
- the report of the supervisory board
- the remuneration report
- the corporate governance statement
- the directors report
- the shareholder information and
- the responsibility statement.

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 scepticism 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 2021

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Grummer	Nasirifar
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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