MANAGEMENT'S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE MARLEY SPOON GROUP[1]

Investors should read the following management's discussion and analysis of net assets, financial condition and results of operations in conjunction with the documents "Business Combination", "Business Description" and "Financial Information".

The financial information contained in the following tables and discussion is taken or derived from the audited consolidated financial statements of Marley Spoon SE as of and for the fiscal years ended December 31, 2022, December 31, 2021 and December, 31 2020. Additional financial information is taken or derived from Marley Spoon Group's accounting records or internal reporting systems. The audited financial statements of Marley Spoon Group for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020 have been prepared in accordance with IFRS as adopted by the European Union.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft has audited in accordance with applicable law and has issued an unqualified independent auditor's report with respect to the audited financial statements of Marley Group SE as of and for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020 prepared in accordance with IFRS as adopted by the European Union.

Where financial information in the following tables is labelled "audited", this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited financial statements mentioned above, but has been taken either from Marley Spoon Group's unaudited condensed consolidated interim financial statements, Marley Spoon Group's internal accounting records or reporting systems, or has been calculated based on figures from the aforementioned sources.

Unless indicated otherwise, all financial information presented in the text and tables included in this Prospectus is shown in millions of Euro (in € million). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables included in this Prospectus may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Furthermore, differences and ratios are calculated based on rounded figures and may therefore deviate from differences or ratios calculated based on unrounded figures appearing elsewhere in this Prospectus. Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") signifies that the relevant figure is not available or zero, while a zero ("0.0") signifies that the relevant figure has been rounded to zero.

For the purposes of this document, unless indicated otherwise, references to "we", "us" or "our" refer to Marley Spoon Group.

Overview

Founded in Germany in 2014 we are a leading global subscription-based meal kit provider with customers and operations across three regions: Europe, United States and Australia. To date, we reach approximately 190 million households. Our core mission is to help customers solve the daily problem of "what are we going to cook tonight?" and to bring delightful, market-fresh and easy cooking back to the people, especially by seeking to provide a stress-free experience.

We generate our revenues by selling meal kits and complementary products, such as baking kits, containing ingredients we source from producers and suppliers, and recipes it creates in-house, through a weekly, subscription-based service. Our meal kits enable customers to prepare well-balanced meals at home, removing the hassle of having to plan meals, shop for and find the required ingredients. Every week, our team, based on customer data insights publishes new recipes across our various brands tailored to our customers' preferences and the seasons. Our customers benefit from the convenience of having pre-portioned ingredients required to prepare

1 Some of the defined terms used in this document are not defined within this document. Instead they may be defined in one of the other documents published on 468 SPAC II SE's website together with the convening notice for the extraordinary general meeting voting on the business combination between 468 SPAC II SE and Marley Spoon SE. If the document contains references to the Prospectus or refers to other sections not published, the information will be contained in the Prospectus once published, subject however to the approval by CSSF.

the meals delivered to them without having to separately find and purchase food items or repeatedly come up with new recipe ideas. To date, our team of chefs and nutritionists have created more than 10,000 recipes. With our offering of meal kits we seek to cater to major trends such as personalization, convenience and experience, health and wellness and healthy eating, conscious consumption and the shift to online. Our customers are able to choose among hundreds of recipes per week or get their recipes delivered based on a default option. The meal kits then come with easy step-by-step instructions and in general can be prepared in 20 to 30 minutes or 30 to 40 minutes depending on the meal. Because ingredients are pre-measured there is minimal to no food waste. This is, in particular, enabled by our source-to-order model, which is driven by customer data and allows us to minimize inventories.

Our business is organized in three geographical segments: Europe, United States and Australia. Each region has been allocated a strategic business unit and is managed separately. Our operations in Europe service customers in Germany, Austria, Belgium, Denmark, the Netherlands and until March 2023, Sweden. While our operation in Denmark and Sweden (until March 2023) as well as in the United States and Australia are carried out in currencies other than the Euro, due to local sourcing and sales in local currencies to our subscribers located in these countries, our local operations are not directly exposed to exchange rate fluctuations. In principle, our product offering may vary between the countries in which we operate.

Currently, we maintain three brands: Marley Spoon, Dinnerly and Chefgood. Marley Spoon is our premium brand with which we started out in 2014 and which we co-brand in the United States with Martha Stewart as "Martha Stewart & Marley Spoon". By founding Dinnerly we expanded our target audience to more cost conscious consumers by designing it as a low cost meal kit, in particular, compared to Marley Spoon. After a successful launch in the United States in 2017, Dinnerly is now available in Australia, Germany and the Netherlands. Recently, we acquired Chefgood Pty Ltd ("**Chefgood**"), an Australian direct-to-consumer ready-to-heat business. Through Chefgood we have access to a high-growth, adjacent category in Australia that complements our core meal kit business. Overall, it is our ambition to build major consumer brands that provide weeknight cooking to families, couples and friends.

We continue to evolve and expand our product offering beyond meal kits. In 2022, for example, we launched our "Market offering" which is an add-on that allows customers to order select grocery items with their weekly meal delivery. This offering is complemented by special holiday meals and the dinner party option, which provides a full multi-course dinner for up to 8 adults. In 2022, we acquired approximately one quarter of our customers through referrals from existing customers and word of mouth.

In 2022, we had 249,000 active subscribers (*i.e.*, customers who have ordered or skipped a Marley Spoon or Dinnerly meal kit over the past 3 months, during the quarter, and in this case, Q4 2022) across all of our regions and sold 62.8 million meals to them. Our revenues in 2022 amounted to €401.2 million, resulting in a revenue growth of 24.5% compared to the previous year, with our contribution margin of 28.7% mainly remaining flat compared to 2021. Through operating profitability in Australia and in the United States, we were able to increase our operating EBITDA from negative €32.6 million to negative €8.8 million, an increase of 73%. Our operating EBITDA for Australia, United States and Europe amounted to €8.8 million, €11.9 million and negative €29.5 million, resulting in an growth year over year for Australia and the United States by over 100%. In Europe, our operating EBITDA decreased by €6 million, especially driven by a decline in net revenue (*i.e.*, the receivable for goods supplied and is defined as gross revenue net of promotional discounts, customer credits, refunds and value added tax) and the contribution margin (*i.e.*, gross profits less fulfilment expenses, with gross profit meaning net revenue less costs of goods sold). Our main expenses include food, picking (primarily labor costs), packaging and shipping, marketing and general and administrative costs.

Key Factors Affecting our Results of Operations, Financial Condition and Cash Flows

The key factors discussed below have significantly affected our results of operations, financial condition and cash flows during the periods for which financial information is included in the Prospectus, and we believe that these factors will continue to affect us in the future.

Number of Active Subscribers

Our revenue is driven by the number of our active subscribers (which we compared on a yearly basis based on the amount of active subscribers active in Q4 of each year) and the result of multiplying the number of total orders by the average order value, net of promotional discounts, rebates and sales-related taxes. Specifically, these metrics developed as follows:

Active subscribers: In 2022, we had approximately 249,000 active subscribers (*i.e.*, customers who have ordered or skipped a Marley Spoon or Dinnerly meal kit on an average weekly basis during the quarter), approximately 20,000 active subscribers less than in 2021 but 22,000 more than in 2020.

Total orders: Our customers ordered 7.2 million times in 2022, an increase of 3.5% compared to 2021 and of 27.9% compared to 2020. Pre-COVID-19 pandemic, in 2019, we had 3 million orders, so that by, to date, we achieved growth of 140% to such levels. Compared to 2021 and 2020 we achieved to have more total orders with less active customers, meaning that our percentage of repeat and loyal customers has significantly increased.

Average order value: In 2022, we had an average order value of €55.78, an increase of €9.39, or 20.2%, compared to 2021, and compared to 2019, in which the average order value was €43.6, an increase of 27.9%. Our increase in 2022 is attributable in part to our initiatives to drive growth in our existing customers by introducing new features, such as the "Market option", which allow our customers to order pantry and refrigerated items or ready-to-heat meals as part of their weekly box select pantry items as add-on as part of their weekly box ("**Market**") and premium recipes, which provide additional meal options to our customers at a surcharge.

Unit Economics

Our profitability depends on our unit economics, *i.e.*, the direct revenues and costs associated with our business model expressed on a per unit basis, with the customer being the unit. Our unit economics are particularly driven by our customer acquisition costs which are the costs of acquiring a customer calculated over a period per new customer acquired over such period ("**CAC**"). CAC includes marketing expenses such as media spend and variable spends on marketing tools.

When it comes to managing our CAC, we have a strategy, which aims for the acquisition of new customer cohorts at CACs that pay back within six months and return 3x the value of CAC over a four year operating period. As such, the CAC is an input metric we manage towards, while the size of new customer cohorts is a consequence of our ability to deploy media investments at given target CACs. In 2022, when media costs increased due to a shift of advertisers from traditional to digital media types, we saw a reduction of new customers (and hence a reduction in spends) over 2021, while CACs remained relatively stable. In 2023, as media costs have started normalizing, we anticipate a return of this trend

To assess our unit economics and profitability, however, CACs have to be compared against the payback period, *i.e.*, the time it may take for the contribution margin of a cohort of customers to exceed their CAC. For this, we calculate a customer's lifetime value as well as the contribution margin. We calculate a customer's lifetime value based on a cohort of customers (*i.e.*, all customers starting in a particular month) and calculate the contribution margin generated from the cohort after churn (*i.e.*, the number of customers which cease purchasing after a certain time) over various time periods. Any promotional discounts are deducted from the gross purchase price. The contribution margin for a particular period is gross profit (*i.e.*, revenue less cost of goods sold, including food costs, packaging expenses and picking costs) less fulfilment expenses for shipping of customer orders and payment processing fees.

Cost of Goods Sold & Fulfillment

As our business model is based on economies of scale, monitoring our cost of goods sold is important. Our cost of goods sold consist of the purchase price paid to suppliers for ingredients and inbound shipping charges as well as other material used, such as for the packaging of our meal kits and the costs attributable to picking. Depreciation, including for capital leases under IFRS 16 associated with our fulfillment facilities, are also included. While these costs are largely variable, they typically increase less strongly than revenue as a result of economies of scale. These economies of scale can be driven by increasing volumes, improved pricing power, better supplier contracts and increased productivity on our picking lines. Recently we have experienced inflation, particularly in protein and produce prices as well as fuel from inbound shipping. We have been able to partially offset those increases with increased prices on our meal kits and supplier renegotiation, including entering into certain short-term fixed contracts with some suppliers, if feasible and, where it makes sense to lock in certain prices. In addition, we are also constantly seeking to improve our supply chain, for example by optimizing the mix of ingredients sourced or recipes offered.

Our fulfilment expenses represent outbound shipping expenses incurred to deliver customer orders and customer payment related expenses. Outbound shipping expenses relate to the amounts paid to third parties that provide for the deliveries to our customers and are comprised of "line haul" costs, which cover shipping from our fulfillment facilities to certain distribution points and "last mile" costs which refer to the completion of the delivery to customers' homes. Accordingly, fulfilment costs are currently largely variable costs, which are affected by economies of scale such as increased volumes. We regularly work to optimize our shipping partners, balancing costs with on-time service delivery levels and delivery dates. Our logistics partners provide ambient or chilled shipping, depending on the location.

Marketing

Marketing has been and will continue to be an important factor for our revenue growth, further strengthening our brand, acquiring new customers, reactivating passive customers and retaining active customers. We steer our marketing expenses based on the ratio of expected customer lifetime value to customer acquisition costs and on the number of new subscribers we want to acquire in a given period. Accordingly, our marketing expenses are predominantly discretionary expenses. By increasing or decreasing our marketing expenses we can calibrate whether we want to focus on subscriber acquisition or rather on profitability. For example, in 2022 we took the deliberate decision to reduce marketing spend by 10.1% compared to the previous year in order to better balance measured revenue growth with a focus on improved profitability.

Our 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 our market presence, as well as marketing personnel. Our marketing expenses are driven by a mix of online and offline marketing channels on an "as needed" basis. For this, our marketing team is closely monitoring the performance of our marketing channels across each region and follows a responsive approach to adjust marketing investment based on the data and statistics observed, with the aim to invest in marketing with respect to regions and channels that generate the highest returns. Among the variety of paid marketing channels we use are online search, online display, social media, TV advertising, letterbox, direct mail and outdoor advertising.

Currently, we acquire approximately one fourth of new customers as referrals from existing customers and word of mouth. Referrals are highly efficient, as we do not incur media costs, but only promotional discount costs to acquire the referred customer and incentivize the referring customers (which in turns leads to incremental margin performance on the side of the referring customers). Our high rate of referrals is enabled by our commitment to an excellent customer experience and care.

We further invest in marketing through our cooperation with Martha Stewart in the United States, which allows us to co-brand our meal kits and sell them, for example, under the name "Martha Stewart & Marley Spoon". Under the relevant license and promotion agreement, we pay royalties based on the amount of our co-branded annual net sales in the United States, while being subject to guaranteed minimum annual royalty rates and a minimum marketing spend per year.

Technology Platform

To aid our operations, we operate a technology platform to assist with, and manage data generated from, our four core business processes (i) recipe development (ii) customer acquisition, orders and customer management (iii) operational execution, such as procurement, logistics and production, (iv) customer support and (v) customer insights management.

As part of our commitment to technology we regularly update and improve our customer websites and mobile applications to allow our customers to manage all aspects of their service online, any time of the day or night, including menu selection, portion selection, delivery times and days, and to pause their subscription if desired. For example, in 2022, we made significant progress on our technology platform and advanced it with respect to product offering, data and operational capabilities. For example, we introduced our Market feature which provides our customers with the ability to purchase add-ons such as pantry and refrigerated items or ready-to-heat meals as part of their weekly box. Another feature related to the introduction of increased pricing flexibility across recipes and enabling our customers to track their shipments by developing logistics partner integrations.

Generally, we capitalize the development costs of software and, thus, enhancements and further developments to our technology platform. In 2022, our capitalization of internally developed software net of amortization amounted to €2.5 million and, in 2021, to €3.9 million.

Capital Expenditures

Our business tends to be asset-light on an ongoing basis, except for when investment in capacity is required. This was the case in 2021, when we invested €21.5 million in total in the business, of which €15.7 million was invested into property, plant and equipment as part of our capacity expansion in Australia and the United States with the opening of new fulfillment centers in Sydney and California. An additional €5.8 million was invested in product development. In 2022, we spent significantly less on fixed assets, investing just €3.7 million in property, plant and equipment and €7.0 million on product development. We further spent €7.8 million on the acquisition of Chefgood, an Australian direct-to-consumer ready-to-heat business which gives us access to a high-growth, adjacent category that complements our core meal kit business. In addition, as of December 31, 2022, we carry contingent liabilities in the amount of €4.4 million for contingent consideration for the purchase of Chefgood, of which €3.3 million may be payable in 2023. The acquisition of Chefgood is part of our overall strategy to drive growth through growing our customer base.

The expansion of the number of our fulfillment facilities represents our commitment to evolve our fulfillment capabilities. In addition, we continuously invest in a higher degree of automation within our manufacturing centers, which we believe will lead to lower production costs and lower error rates as we grow our business. Efficiency and automation measures implemented by us, in 2022, included the introduction of handheld scanners, which we integrated with our warehouse management system to improve global inventory accuracy, and the adoption of a production line monitoring system, providing transparency on important operational metrics such as line speed and downtime.

COVID-19 Pandemic

In 2021 and 2020, the COVID-19 pandemic resulted in an industry-wide positive impact on revenue as customers were not able, permitted or not inclined to visit supermarkets or go to restaurants. This resulted in more customers ordering their meals, or the relevant ingredients, from grocery and restaurant delivery providers as well as from meal kit delivery services like ours. Consequently, the demand for our products increased with minimal marketing spend necessary to sway new customers or retain existing customers. This resulted in our marketing expenses decreasing by 11 percentage points (as a percentage of revenue) in 2020 compared to 2019, which was pre-pandemic.

We grew our active subscriber base during the COVID-19 pandemic by 78% between Q4 2019 and Q4 2020 and by 18% between Q4 2020 and Q4 2021. As the pandemic began to abate and customer behavior normalized, we saw our active subscribers decline by 7% between Q4 2021 and Q4 2022. Customers , began to resume their social lives which included traveling and eating out more, pressuring our number of active subscribers. Equally, we also reduced marketing spend in the period as we focused on improved operating profitability.

Key Financial and Operating Data

We use gross profit, contribution margin and operating earnings before interest, taxes, depreciation and amortization ("**Operating EBITDA**"), among others, as key performance indicators in order to assess the success of our business. It is our belief that these indicators, together with other relevant financial and operating data, will be helpful for investors when assessing our performance. Such information does not, however, necessarily indicate whether cash flows will be sufficient for our cash requirements and may not be indicative of our future results (see *"2.16 Alternative Performance Measures"*).

This section presents gross profit, contribution margin and Operating EBITDA of the Group. For a regional breakdown under our segment reporting, see section named "*Segment Reporting*" below.

Gross Profit

We define gross profit as (i) revenues, less (ii) cost of goods sold, including food costs, packaging expenses and picking costs.

The following table provides a calculation of our gross profit for the periods indicated:

	For the fiscal year ended December 31,		
	2022	2021	2020
		(audited) (in € millions)	
Revenues	401.2	322.4	254.0
Cost of goods sold[(1)]	(216.8)	(173.3)	(133.3)
Gross Profit	**184.4**	**149.1**	**120.7**

(1) Includes the purchase price paid to suppliers for ingredients and inbound shipping charges as well as other material used, such as for the packaging of our meal kits, and the costs attributable to picking, as well as depreciation, including for capital leases under IFRS 16 associated with our fulfillment facilities. Shipping charges paid to receive products from suppliers (*i.e.*, inbound shipping charges) are included in inventory and recognized as costs of goods sold upon the sale of products to customers.

CM%

We define contribution margin as (i) revenues, less (ii) cost of goods sold and (iii) fulfilment expenses. Under fulfilment expenses we include the shipping expenses for customer orders and customer payment related expenses, such as payment processing fees.

Internally, we evaluate our business not on the absolute contribution margin, but on the contribution margin as a percentage of revenues ("**CM%**"), *i.e.*, the contribution margin divided by revenues times 100.

The following table provides a calculation of our contribution margin for the periods indicated:

	For the fiscal year ended December 31,		
	2022	2021	2020
		(audited) (in € millions)	
Revenues	401.2	322.4	254.0
Cost of goods sold	(216.8)	(173.3)	(133.3)
Fulfilment expenses	(69.1)	(57.3)	(46.6)
Contribution margin	**115.3**	**91.8**	**74.1**
CM %	***28.7%***	***28.5%***	***29.2%***

Operating EBITDA

We define Operating EBITDA as (i) profit/loss before taxes, less finance income, plus finance costs ("**EBIT**"), plus (ii) depreciation and amortization, excluding the effects of (iii) special items such as equity-settled-share-based payments, as well as (iv) significant items of income and expenditure that are the result of an isolated, non-recurring event.

The following table provides a calculation of our Operating EBITDA for the periods indicated:

	For the fiscal year ended December 31,		
	2022	2021	2020
		(audited) (in € millions)	
EBIT	(27.6)	(43.4)	(7.4)
Depreciation and amortization	(16.1)	(9.0)	(6.5)
Non-cash share option expenses	(1.0)	(1.3)	(0.4)
Other non-recurring items	(1.7)	(0.3)	-
Operating EBITDA	(8.8)	(32.6)	(0.5)

Results of Operations

The following table presents our results of operations for the periods indicated:

	For the fiscal year ended December 31,		
	2022	2021	2020
		(audited) (in € millions)	
Revenue	401.2	322.4	254.0
Cost of goods sold[(1)]	(216.8)	(173.3)	(133.3)
Gross profit	**184.4**	**149.1**	**120.7**
Fulfilment expenses[(2)]	(69.1)	(57.3)	(46.6)
Marketing expenses[(3)]	(64.0)	(71.2)	(39.3)
General & administrative expenses[(4)]	(79.0)	(64.0)	(42.3)
Earnings before interest & taxes (EBIT)	**(27.6)**	**(43.4)**	**(7.4)**
Financing income	0.1	2.8	0.1
Financing expenses	(12.3)	(6.0)	(7.5)
Derivative instruments	-	0.1	(71.4)
Earnings before taxes (EBT)	**(39.9)**	**(46.4)**	**(86.2)**
Income tax expenses	(0.1)	(0.1)	(0.1)
Loss for the year	**(40.0)**	**(46.6)**	**(86.4)**
Net income / (loss) for the year attributed to::			
Equity holders of the parent	*(39.7)*	*(46.2)*	*(86.2)*
Non-controlling interest	*(0.3)*	*(0.4)*	*(0.1)*
Foreign exchange effects	(1.8)	(1.1)	(0.6)
Total comprehensive income / (loss) for the year	**(41.8)**	**(47.7)**	**(86.9)**
Total comprehensive income attributable to:			
Equity holders of the parent	(41.5)	(47.3)	(86.8)
Non-controlling interests	(0.3)	(0.4)	(0.1)
Basic earnings per share (whole EUR)	(1.33)	(173.62)	(0.46)
Diluted earnings per share (whole EUR)	(1.32)	(167.63)	(0.44)

(1) Includes the purchase price paid to suppliers for ingredients and inbound shipping charges as well as other material used, such as for the packaging of our meal kits, and the costs attributable to picking as well as depreciation, including for capital leases under IFRS 16 associated with our fulfillment facilities. Shipping charges paid to receive products from suppliers (i.e., inbound shipping charges) are included in inventory and recognized as costs of goods sold upon the sale of products to customers.

(2) Include shipping expenses incurred to deliver customer orders and customer payment related expenses.

(3) 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 our market presence.

(4) Relate to costs not directly associated with the production and distribution of goods, including management and headquarters personnel wages and benefits, travel, depreciation and amortization (*e.g.*, for computers and product development costs), insurance, utilities, and other overhead costs.

Revenue

Revenue is measured at the fair value of the consideration received or receivable, in exchange for delivery of the ordered meal kit (including add-on options, such as Market) or ready-to-heat meal, net of promotional discounts, rebates and sales-related taxes. If and to the extent, we sell vouchers for future orders to marketing partners, such sales of vouchers are only included in revenue when a voucher has been redeemed and the corresponding box has been delivered.

The following table shows the development of the key drivers of our revenue for the years ended December 31, 2020, December 31, 2021, December 31, 2022:

	As of and for the year ended December 31[(1)],		
	2022	2021	2020
		(unaudited)	
Active subscribers (thousand persons)[(2)]	249	268	227
Total orders (in millions)[(2)]	7.2	6.9	5.6
Average order value (in €)[(3)]	55.78	46.39	45.18
Cost per Acquisition (CAC, in €)[(4)]	66.71	66.85	39.51

(1) Except as for active subscribers which represent Q4 number for each year.
(2) Customers who have an active subscription (i.e., ordered or skipped a delivery) on an average weekly basis during the quarter.
(3) Number of customer orders.
(4) Number of meals sold divided in a given period by the number of customer orders in such period.
(5) Costs of acquiring a customer (i.e., marketing expenses such as media spend) calculated over a certain period per new customer acquired during such period, net of marketing vouchers.

The following table provides a regional breakdown of revenue by region in accordance with our segment reporting (see section named *"Segment Reporting"* below) for the periods presented:

	For the year ended December 31.		
	2022	**2021**	**2020**
		(audited) **(in € million)**	
USA	197.4	149.4	127.2
Australia	154.3	117.8	86.0
Europe[1]	49.5	55.2	40.8
Total revenues by region	**401.2**	**322.4**	**254.0**

(1) Including Germany, Austria, Belgium Denmark, Sweden and the Netherlands, with the operations in Sweden having been discontinued as of March 2023.

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our revenue increased by 24.5% to €401.2 million for the fiscal year ended December 31, 2022 from €322.4 million for the fiscal year ended December 31, 2021 due to several factors. Continued demand for our meal kits led to order growth of 4% from 6.9 million orders in 2021 to 7.2 million orders in 2022. Furthermore, the average net basket size of our orders increased by 20.2% from €46.39 in 2021 to €55.78 in 2022. This was driven by pricing to offset inflation in raw materials as well as initiatives to increase average revenue per customer, such as our introduction of the Market (*i.e.*, delivery of groceries and pantry items as well as ready-to-heat meals as add-on option to their weekly box) and premium recipes, which provide more exclusive meal options to our customers at a surcharge. The completion of our acquisition of the Australian company Chefgood, a direct-to-consumer ready-to-heat business contributed further to our growth. Our growth in 2022 compared to 2021 amounted to 15.6% on a constant currency basis (i.e., adjusted for EUR fluctuations against the USD and AUD year-over-year).

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our revenue increased by 26.9% to €322.4 million for the fiscal year ended December 31, 2021 from €254.0 million for the fiscal year ended December 31, 2020 mainly due to a strong increase in active subscribers in each quarter of the year compared to the previous year as well as a higher number of orders delivered to our customers; the number of orders improved by 24% from 5.6 million in 2020 to 6.9 million in 2021. In addition, our average order value increased from €45.18 in 2020 to €46.39 in 2021 driven by a greater choice in our offering through a bigger recipe selection for core meal kits as well as a price increase implemented at the end of Q3 2021.

Cost of Goods Sold

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our cost of goods sold increased by 25.1% to €216.8 million for the fiscal year ended December 31, 2022 from €173.3 million for the fiscal year ended December 31, 2021 mainly due to our revenue growth and an increase in raw materials by 25.5% from €137.0 million in 2021 to €172.0 million in 2022 as well as increases in depreciation and amortization from €5.9 million to €9.0 million as well as employee benefit expenses, such as, among others, wages and salaries, increasing from €30.4 million in 2022 to €35.9 million in 2022. The increase in costs for raw materials was predominantly driven by our order growth as well as recent inflationary pressures. Depreciation, including for capital leases under IFRS 16 associated with our fulfillment facilities, increased due to an increase in our investments in fixed assets in 2021 while wage inflation contributed to the increase in wages and salaries.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our cost of goods sold increased by 30.0% to €173.3 million for the fiscal year ended December 31, 2021 from €133.3 million for the fiscal year ended December 31, 2020 as a result of a 39.4% increase in employee benefit expenses within our cost of goods sold, which is attributable to our order growth and a heavier reliance on temporary picking associates during a tightening labor market.

Gross Profit

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our gross profit increased by 23.7% to €184.4 million for the fiscal year ended December 31, 2022 from €149.1 million for the fiscal year ended December 31, 2021, mainly due to our revenue growth of 24.5% in 2022.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our gross profit increased by 23.5% to €149.1 million for the fiscal year ended December 31, 2021 from €120.7 million for the fiscal year ended December 31, 2020 mainly due to our revenue growth of 26.9% in 2021.

Fulfilment Expenses

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our fulfilment expenses increased by 20.5% to €69.1 million for the fiscal year ended December 31, 2022 from €57.3 million for the fiscal year ended December 31, 2021 as a result of our growth but as well fuel surcharges in an inflationary environment that were charged by our logistics partners and which we could not fully offset with price increases.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our fulfilment expenses increased by 23.0% to €57.3 million for the fiscal year ended December 31, 2021 from €46.6 million for the fiscal year ended December 31, 2020 driven by a particularly challenging supply chain environment stemming from both weather-related operational challenges (*e.g.*, floods in Australia and winter storms across the United States and Europe) and infrastructure-related issues across supply chain, labor and logistics driven by the general, ongoing e-commerce boom.

Marketing Expenses

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our marketing expenses decreased by 10.1% to €64.0 million for the fiscal year ended December 31, 2022 from €71.2 million for the fiscal year ended December 31, 2021 driven by our deliberate decision to reduce marketing spend in 2022 in order to better balance measured revenue growth with a focus on improved profitability.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our marketing expenses increased by 81.3% to €71.2 million for the fiscal year ended December 31, 2021 from €39.3 million for the fiscal year ended December 31, 2020 as a result of an unusually low level of marketing spend required in 2020 due to the COVID-19 pandemic, as well as a continued investment in our revenue growth. In addition, in 2021 online media costs were on the rise.

General & Administrative Expenses

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our general & administrative expenses increased by 23.4% to €79.0 million for the fiscal year ended December 31, 2022 from €64.0 million for the fiscal year ended December 31, 2021 primarily due to increases in depreciation and amortization by 123.7% from €3.2 million in 2021 to €7.1 million in 2022 and wages and salaries by 31.9% from €30.4 million in 2021 to €40.1 million in 2022. The increase in depreciation and amortization is attributable to the amortization of our self-generated product development assets relating to our Market feature, the investment in a global recipe and menu management tool and logistics partner integrations to enable our customers to track their shipments. Wages and salaries increased in part due to the annualization of hiring and salary increases in 2021 as part of investments into our infrastructure.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our general & administrative expenses increased by 51.3% to €64.0 million for the fiscal year ended December 31, 2021 from €42.3 million for the fiscal year ended December 31, 2020, primarily attributable to investments in team and infrastructure which, due to an acute labor shortage in the United States as well as wage increases led to an increase of 43.4% in employees' wages and salaries from €20.1 million in 2020 to €28.9 million in 2021. In addition, our other operating expenses increased by 65.8% from €15.2 million to €25.2 million due to the opening of new manufacturing centers in Sydney and California in June and September 2021, respectively.

Earnings before Interest & Taxes (EBIT)

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our earnings before interest & taxes (EBIT) increased by 36.3% to negative €27.6 million for the fiscal year ended December 31, 2022 from negative €43.4 million for the fiscal year ended December 31, 2021 as a result of growing our gross profit by 23.7% to €184.4 million while being disciplined with our marketing expenses and general & administrative expenses which in the aggregate increased by 5.7% from €135.2 million in 2021 to €143.0 million in 2022. In this regard, our marketing expenses even decreased by 10.1% in 2022 compared to 2021.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our earnings before interest & taxes (EBIT) decreased by €36.0 million to negative €43.4 million for the fiscal year ended December 31, 2021 from negative €7.4 million for the fiscal year ended December 31, 2020 as a result of our 81.3% increase in marketing spend to build our revenue growth, further capacity building through the opening of the new fulfillment centers in Sydney and California and investment in infrastructure building through new hires.

Financing Income

Financing income consists of interest earned on bank balances, currency translation gains and contract extinguishment.

	For the fiscal year ended December 31,		
	2022	**2021**	**2020**
		(audited) **(in € millions)**	
Interested earned on bank balances	0.1	0.1	0.0
Currency translation gains	–	0.2	0.0
Contract extinguishment	–	2.6	–
Financing income	**0.1**	**2.8**	**0.1**

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our financing income decreased by 97.6% to €0.1 million for the fiscal year ended December 31, 2022 from €2.8 million for the fiscal year ended December 31, 2021, primarily attributable to a one-off effect in 2021 due to a contract extinguishment in the amount of €2.6 million relating to a marketing funding arrangement with Woolworths Group Ltd. ("**WOW**"). The year-over-year decrease was further due to a decline in currency translation gains from €0.2 million in 2021 to nil in 2022.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our financing income increased by €2.8 million to €2.8 million for the fiscal year ended December 31, 2021 from €0.1 million for the fiscal year ended December 31, 2020 primarily attributable to a one-off effect in 2021 due to a contract extinguishment in the amount of €2.6 million relating to a marketing funding arrangement with WOW.

Financing Expenses

Finance expenses consist of bank fees & other expenses, nominal interest expense on borrowings, interest on lease liabilities, currency translation losses and effects of the effective interest method on borrowings.

	For the fiscal year ended December 31,	For the fiscal year ended December 31,	For the fiscal year ended December 31,
	2022	2021	2020
		(audited) (in € millions)	
Bank fees & other expenses	(0.2)	(0.2)	–
Nominal interest expense on borrowings	(8.8)	(3.1)	(1.7)
Interest on lease liabilities	(3.1)	(2.6)	(1.8)
Retirement cost on borrowings	–	–	(0.5)
Currency translation losses	(0.2)	–	–
Effects of effective interest method on borrowings	–	(0.1)	(3.5)
Financing expenses	**(12.3)**	**(6.0)**	**(7.5)**

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our financing expenses increased by 104.7% to €12.3 million for the fiscal year ended December 31, 2022 from €6.0 million for the fiscal year ended December 31, 2021 mainly due to an increase in the nominal interest expense on borrowings which increased by 184.2% from €3.1 million in 2021 to €8.8 million in 2022. The increase is attributable to our draw down of €45.3 million in the aggregate under a credit facility with Runway Growth Capital ("**Runway**") in three tranches: at signing in June 2021, in October 2021, and in December 2021 in connection with the Chefgood acquisition. Rising interest rates on our debt also contributed to higher financing expenses.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our financing expenses decreased by 19.4% to €6.0 million for the fiscal year ended December 31, 2021 from €7.5 million for the fiscal year ended December 31, 2020, primarily attributable to lower interest expense recognition due to WOW exercising conversion rights in August 2021 for convertible bonds issued to it in September 2019 and February 2020, respectively in the total amount of €30 million. This was partly offset by higher nominal interest expenses on borrowings due to the partial drawdown of the Runway credit facility.

Derivative Instruments

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

We carried no derivative instruments for the fiscal year ended December 31, 2022 after having settled a foreign currency hedge, based on which our derivative instruments amounted to €0.1 million for the fiscal year ended December 31, 2021.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our derivative instruments changed by €71.6 million to €0.1 million for the fiscal year ended December 31, 2021 from negative €71.4 million for the fiscal year ended December 31, 2020 due to the conversion of convertible bonds issued to Union Square Ventures ("**Union Square**") and Conifer Management, LLC ("**Acacia**") and exercise of warrants granted to Western Technology Investment ("**WTI**") and Kreos Capital V (Expert Fund) LP ("**Kreos**") in 2020 which led to the elimination of the fair value adjustment of the derivative portion of those convertible bonds and warrants and fair value adjustments related to the derivative portion of convertible bonds issued to WOW that we still had in 2021 until their conversion in August of that year. The fair value adjustments of the derivative portion of the convertible bonds issued to USV, Acacia and WOW as well as the warrants granted to WTI and Kreos resulted in the aggregate in a loss of €71.4 million for the fiscal year ended December 31, 2020 due to the volatility in our share price. The fair value adjustments of the derivative portion of the WOW convertible bonds were reported as a gain in the fiscal year ended December 31, 2021, again due to the volatility of our share price.

Earnings before Taxes (EBT)

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our earnings before taxes (EBT) increased by 14.2% to negative €39.9 million for the fiscal year ended December 31, 2022 from negative €46.4 million for the fiscal year ended December 31, 2021 as a result of an increase in EBIT by 36.3% to negative €27.6 million for the fiscal year ended December 31, 2022 from negative €43.4 million for the fiscal year ended December 31, 2021 which was partially offset by an increase in financing expenses from €6.0 million in 2021 to €12.3 million in 2022 as well as financing income declining from €2.8 million in 2021 to €0.1 million in 2022.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our earnings before taxes (EBT) increased by 46.1% to negative €46.4 million for the fiscal year ended December 31, 2021, from negative €86.2 million for the fiscal year ended December 31, 2020, mainly due to no longer requiring an adjustment of the fair value of the derivative portion of the convertible bonds issued to USV and Acacia and the warrants granted to WTI and Kreos, since they were converted or exercised in the fiscal year ended December 31, 2020 and the fair value adjustment of the derivative portion of the WOW convertible bonds, which represented a gain in the fiscal year ended December 31, 2021.

Income Tax Expenses

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our income tax expenses increased by 13.4% to negative €0.1 million for the fiscal year ended December 31, 2022 as a result of a slight increase in our effective tax rate compared to 2021 due to our acquisition of Chefgood.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our income tax expenses decreased by 9.3% to negative €0.1 million for the fiscal year ended December 31, 2021, primarily attributable to a change in our effective tax rate.

Loss for the Year

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our loss for the year decreased by 14.1% to negative €40.0 million for the fiscal year ended December 31, 2022 from negative €46.6 million for the fiscal year ended December 31, 2021 as a result of the like-for-like increase in EBT by 14.2% for the fiscal year ended December 31, 2022 compared to the fiscal year ended December 31, 2021.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our loss for the year decreased by 46.1% to negative €46.6 million for the fiscal year ended December 31, 2021 from negative €86.4 million for the fiscal year ended December 31, 2020 as a result of our like-for-like increase in EBT by 46.1% from negative €86.2 million for the fiscal year ended December 31, 2020 to negative €46.4 million for the fiscal year ended December 31, 2021.

Foreign Exchange Effects

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our foreign exchange effects decreased by 64.5% to negative €1.8 million for the fiscal year ended December 31, 2022 from negative €1.1 million for the fiscal year ended December 31, 2021 as a result of a weakening euro against the US dollar.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our foreign exchange effect decreased by 91.7% to negative €1.1 million for the fiscal year ended December 31, 2021 from negative €0.6 million for the fiscal year ended December 31, 2020 mainly due to a weakening euro against the US dollar.

Total Comprehensive Income/ (Loss) for the Year

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Our total comprehensive income for the year increased by 12.3% to negative €41.8 million for the fiscal year ended December 31, 2022 from negative €47.7 million for the fiscal year ended December 31, 2021 as a result of our loss of the year decreasing by 14.1% compared to the fiscal year ended December 31, 2021, which is due to a similar increase of our EBT by 14.2% from negative €46.4 million for the fiscal year ended December 31, 2021 to negative €39.9 million for the fiscal year ended December 31, 2022.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Our total comprehensive income for the year increased by 45.2% to negative €47.7 million for the fiscal year ended December 31, 2021 from negative €86.9 million for the fiscal year ended December 31, 2020, primarily attributable to a 46.1% decrease in the loss for the year, which is a consequence of our EBT having increased by €40.0 million from negative €86.2 million for the fiscal year ended December 31, 2020 to negative €46.6 million for the fiscal year ended December 31, 2021.

Segment Reporting

We segment our business in three geographical regions: Europe, United States and Australia. Each region has been allocated a strategic business unit and is managed separately. Our operations in Europe service customers in Germany, Austria, Belgium, Denmark, the Netherlands and until March 2023, Sweden.

Europe

The following table shows the operating performance of our Europe segment for the years ended December 31, 2022, December 31, 2021 and December 31, 2020:

	For the fiscal year ended December 31.		
	2022	**2021**	**2020**
		(audited) **(in € millions)**	
Total revenue	49.5	55.2	40.8
Contribution margin	9.7	12.5	10.1
CM%	**19.7%**	**22.6%**	**24.8%**
Operating EBITDA	**(29.5)**	**(23.5)**	**(14.3)**
EBIT	(37.7)	(12.4)	(19.7)
Earnings before tax	(42.6)	(9.2)	(25.3)

Total Revenue

Total revenue for the Europe segment decreased by 10.3% to €49.5 million for the fiscal year ended December 31, 2022 from €55.2 million for the fiscal year ended December 31, 2021 as a result of a planned reduction in marketing spend exacerbated by higher skip rates (*i.e.*, active subscribers deciding to skip or pause their order in a given week), equaling a lower order frequency, which is due to muted consumer confidence driven by the macroeconomic effects of rising consumer prices and inflation in the region.

In 2021, total revenue of our Europe segment increased by 35.2% to €55.2 million from €40.8 million in 2020, due to a favorable growth environment and strong demand driven in part by COVID-19 pandemic-related lockdowns.

CM %

CM% for our Europe segment decreased by 2.9 percentage points to 19.7% for the fiscal year ended December 31, 2022 from 22.6% for the fiscal year ended December 31, 2021 as a result of inflation in food and fuel prices that could not be fully offset given their high rate of rises as well as operational challenges such as tight labor markets and ongoing supply chain challenges.

In 2021, the CM% of our Europe segment decreased by 2.2 percentage points to 22.6% from 24.8% in 2020, primarily driven by wage and food cost inflation as well the launch of our newest picking technology, a semi-automated packing line, which temporarily impacted picking performance.

Operating EBITDA

Operating EBITDA for our Europe segment decreased by 25.2% to negative €29.5 million for the fiscal year ended December 31, 2022 from negative €23.5 million for the fiscal year ended December 31, 2021 as a result of our revenue decreasing by 10.3% compared to the fiscal year ended December 31, 2021 and supply chain challenges driving margin contraction as well as headquarter cost increases coming from the annualization of increases in the cost of management resources, among other fixed cost items.

In 2021, operating EBITDA of our Europe segment decreased by 64.5% to negative €23.5 from negative €14.3 million in 2020, due to a contraction in our CM% as well as investments into our operational management resources and infrastructure, such as the implementation of a semi-automated packing line.

USA

The following table shows the operating performance of our USA segment for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020:

	For the fiscal year ended December 31.		
	2022	**2021**	**2020**
		(audited)	
		(in € millions)	
Total revenue	197.4	149.4	127.2
Contribution margin	57.8	39.4	32.7
CM%	**29.3%**	**26.3%**	**25.6%**
Operating EBITDA	**11.9**	**(9.8)**	**4.1**
EBIT	(8.6)	(22.6)	(6.0)
Earnings before tax	(20.4)	(29.3)	(11.7)

Total Revenue

Total revenue for our USA segment increased by 32.1% to €197.4 million for the fiscal year ended December 31, 2022 from €149.4 million for the fiscal year ended December 31, 2021 attributable to the growth of our subscriber base as well as a growth in order value coming from an increase in portion sizes, additional menu offerings as well as price increases implemented to offset inflation.

In 2021, total revenue of our USA segment increased by 17.5% to €149.4 million from €127.2 million in 2020, due to a favorable customer acquisition environment though this was somewhat offset by extensive post-lockdown vacation behavior which led to reduced order frequency versus the previous year.

CM %

CM % for our USA segment increased by 3.0 percentage points to 29.3% for the fiscal year ended December 31, 2022 from 26.3% for the fiscal year ended December 31, 2021 as a result of price increases implemented to offset inflation as well as the impact of an operational improvement plan addressing areas such as labor planning and training, process improvements and the implementation of new systems such as warehouse management systems that led to increased picking line productivity associated with more throughput and less idle time, and improved service reliability (*i.e.*, leading to fewer customer credits and changing carriers at the last minute at higher cost).

In 2021, CM % of our USA segment increased slightly at 26.3% as compared to 25.6% in 2020, driven by increased picking costs due to a tightening of the labor market and supply chain disruptions impacting delivery service quality and, thus, customer retention or customer credits needing to be given, partly offset by price increases implemented at the end of 2020.

Operating EBITDA

Operating EBITDA for our USA segment increased by €21.6 million from negative €9.8 million for the fiscal year ended December 31, 2021 to €11.9 million for the fiscal year ended December 31, 2022. This was driven by revenue growth and improvements in operating profitability due our CM% margin expansion and cost discipline, including a reduced level of marketing spend in the second half of 2022.

In 2021, operating EBITDA of our USA segment decreased by €13.8 million to negative €9.8 million from €4.1 million in 2020, mainly due to increased investments in marketing to drive growth as well as costs associated with the establishment of our new fulfillment center in California and the rollout of a new picking process in all three fulfillment centers in the USA.

Australia

The following table shows the operating performance of our Australia segment for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020:

	For the fiscal year ended December 31.		
	2022	**2021**	**2020**
		(audited) **(in € millions)**	
Total revenue	154.3	117.8	86.0
Contribution margin	47.8	40.0	31.4
CM%	**31.0%**	**33.9%**	**36.5%**
Operating EBITDA	**8.8**	**0.7**	**9.7**
EBIT	(3.2)	(8.4)	3.7
Earnings before tax	(6.4)	(7.9)	2.5

Total Revenue

Total revenue for our Australia segment increased by 31.0% to €154.3 million for the fiscal year ended December 31, 2022 from €117.8 million for the fiscal year ended December 31, 2021, with the acquisition of Chefgood, the introduction of new premium recipes and an improved utilization of our Market feature driving the increase through a higher order value.

In 2021, total revenue of our Australia segment increased by 37.0% to €117.8 million from €86.0 million in 2020, driven by the opening of our Western Australia fulfillment center in Perth in 2020 which contributed to an increase in order volumes and subscribers, as well as further COVID-19 pandemic-driven lockdown related tailwinds.

CM %

CM% for our Australian segment contracted 2.9 percentage points to 31.0% for the fiscal year ended December 31, 2022 from 33.9% for the fiscal year ended December 31, 2021 driven by inflation and supply chain challenges stemming from severe weather events that impacted ingredient availability and quality, though still remained highest among our three regions.

In 2021, CM% of our Australia segment contracted by 2.6 percentage points from 36.5% to 33.9% due to a greater share of marketing vouchers post-pandemic and a different brand mix due to the growth of our budget brand Dinnerly, which carries a lower margin as compared to Marley Spoon.

Operating EBITDA

Operating EBITDA for our Australia segment increased by €8.1 million to €8.8 million for the fiscal year ended December 31, 2022 from €0.7 million for the fiscal year ended December 31, 2021 as a result of our ongoing focus on cost discipline and a reduction in marketing spend.

In 2021, operating EBITDA of our Australia segment decreased by €9.0 million to €0.7 million from €9.7 million in 2020, due to costs incurred in connection with our opening of a new fulfillment in Sydney and the build-up of our fulfillment center in Western Australia (*i.e.*, Perth) as well as a higher level of year-over-year marketing spend, as compared to the unusually low marketing spend in 2020 related to industry tailwinds from the COVID-19 pandemic.

Assets, Equity and Liabilities

Assets

The following table presents an overview of our assets as of the dates indicated:

	For the fiscal year ended December 31.		
	2022	2021	2020
		(audited) (in € millions)	
ASSETS			
Non-current assets			
Property. plant. and equipment	25.2	24.2	11.2
Right-of-use assets	22.2	24.5	9.9
Lease receivables	0.4	0.6	–
Intangible assets	16.4	8.8	4.9
Goodwill	9.0	–	–
Non-current financial assets	2.5	2.3	3.0
Total non-current assets	**75.7**	**60.4**	**29.0**
Current assets			
Inventories	13.1	9.4	6.6
Trade receivables	0.7	0.4	0.7
Other current financial assets	3.2	3.7	2.4
Cash and cash equivalents	19.0	38.7	34.4
Total current assets	**36.2**	**52.2**	**44.1**
Total assets	**111.9**	**112.6**	**73.1**

Total Non-Current Assets

December 31, 2022 Compared to December 31 2021

Total non-current assets increased by 25.3% to €75.7 million as of December 31, 2022 from €60.4 million as of December 31, 2021 mainly due to an increase in intangible assets from €8.8 million as of December 31, 2021 to €16.4 million as of December 31, 2022 which was driven in the amount of €4.8 million by acquired intangibles in connection with our Chefgood acquisition and in the amount of €2.5 million by our capitalization of self-generated product development assets relating to our Market option, the investment in a global recipe and menu management tool and logistics partner integrations to enable our customers to track their shipments. In addition, we had an increase in goodwill from nil as of December 31, 2021 to €9.0 million as of December 31, 2022 which is also attributable to our Chefgood acquisition.

December 31, 2021 Compared to December 31, 2020

Total non-current assets increased by €31.4 million, or 108.1%, to €60.4 million as of December 31, 2021 from €29.0 million as of December 31, 2020 primarily attributable to the opening of our new fulfilment centers in Sydney and California in June and September 2021, respectively. This, as well as investments in new manufacturing equipment globally, led to an increase in property, plant and equipment by €13.0 million and, as we lease our fulfilment centers and enter into equipment financing leases, our right-of-use assets increased by €14.6 million. The increase in intangible assets by €3.9 million is attributable to the capitalization of our internally developed software.

Total Current Assets

December 31, 2022 Compared to December 31 2021

Total current assets decreased by 30.7% to €36.2 million as of December 31, 2022 from €52.2 million as of December 31, 2021 mainly due to cash and cash equivalents decreasing by 50.8% from €38.7 million as of December 31, 2021 to €19.0 million as of December 31, 2022 partly offset by an increase in inventories from €9.4

million to €13.1 million. Cash decreased year-over-year due to significantly higher interest expenses in 2022 compared to 2021, payments made toward the acquisition of Chefgood and continued investment in our product development. Inventory increases were due in part to the growth of our business, including the addition of Chefgood.

December 31, 2021 Compared to December 31, 2020

Total current assets increased by 18.5% to €52.2 million as of December 31, 2021 from €44.1 million as of December 31, 2020 due in part to our higher cash position, which increased by €4.2 million, or 12.3%, in 2021 compared to 2020, and an increase in inventories of €2.8 million, or 42.8%, versus the previous year. These increase were attributable to our business growth, and receiving proceeds from an extension of a credit facility with Runway as well as a €5 million capital raise from a private long-term European investor, both of which we used to fund the purchase of Chefgood, paid in early 2022.

Equity

The following table presents an overview of our equity as of the dates indicated:

	For the fiscal year ended December 31.		
	2022	2021	2020
		(audited) (in € millions)	
EQUITY			
Share capital	39.3	0.3	0.3
Treasury stock	–	(0.0)	–
Capital reserve	226.5	250.3	229.7
Other reserves	8.5	7.5	6.2
Currency translation reserve	(3.4)	(1.6)	(0.5)
Accumulated net earnings (losses)	(312.4)	(272.7)	(226.5)
Equity attributable to equity holders of the parent	**(41.5)**	**(16.3)**	**9.1**
Non-controlling interests	(1.6)	(1.3)	(0.9)
Total equity	**(43.1)**	**(17.6)**	**8.1**
Total liabilities and equity	**111.9**	**112.6**	**73.1**

Total Equity

December 31, 2022 Compared to December 31 2021

Total equity decreased by €25.5 million to negative €43.1 million as of December 31, 2022 from negative €17.6 million as of December 31, 2021, mainly driven by the increase of accumulated losses from €272.7 million to €312.4 million, partially offset by gross proceeds from our capital increase in 2022 in the amount of €15.9 million and stock option expenses of €1.0 million. The increase in share capital by €39.1 million from €0.3 million as of December 31, 2021 to €39.3 million as of December 31, 2022 contributed to our capital increase as well as a conversion of capital reserves in the amount of €28.9 million into 28,904,000 new shares.

December 31, 2021 Compared to December 31, 2020

Total equity decreased by €25.7 million to negative €17.6 million as of December 31, 2021 from €8.1 million as of December 31, 2020 mainly driven by the €46.2 million increase in accumulated losses from €226.5 million as of December 31, 2020 to €272.7 million as of December 31, 2021, partly offset by the gross impacts of WOW's conversion of convertible loans in the amount of €20.5 million and stock options in the amount of €1.3 million.

Liabilities

The following table presents an overview of our liabilities as of the dates indicated:

	For the fiscal year ended December 31.		
	2022	2021	2020
	(audited) (in € millions)		
LIABILITIES			
Lease liabilities	17.0	19.5	6.7
Interest bearing loans and borrowings – non-current	70.8	49.2	17.7
Derivative financial instruments – non-current	–	–	3.5
Non-current provisions	2.3	1	–
Deferred tax liabilities	1.8	–	–
Total non-current liabilities	**91.8**	**69.6**	**28.0**
Current liabilities			
Trade and other payables	26.4	27.6	17.5
Derivative financial instruments	–	0.1	0.2
Contract liabilities	1.9	3.6	0.9
Interest bearing loans and borrowings – current	7.8	7.3	3.4
Lease liabilities – current	8.7	7.7	4.6
Other financial liabilities	14.8	11.4	7.9
Other non-financial liabilities	3.6	2.8	2.5
Total current liabilities	**63.2**	**60.5**	**37.0**

Total Non-Current Liabilities

December 31, 2022 Compared to December 31 2021

Total non-current liabilities increased by 31.8% to €91.8 million as of December 31, 2022 from €69.6 million as of December 31, 2021, primarily due to an increase by 43.9% in non-current interest bearing loans and borrowings (*i.e.*, long term debt) from €49.2 million as of December 31, 2021 to €70.8 million as of December 31, 2022 which is mainly attributable to another drawdown of the Runway credit facility in 2022 in the amount of €19.3 million.

December 31, 2021 Compared to December 31, 2020

Total non-current liabilities increased by €41.7 million to €69.6 million as of December 31, 2021 from €28.0 million as of December 31, 2020 driven by an €31.4 million increase in long-term debt through us entering into a credit facility with Runway and drawing down €45.3 million in total in 2021, which was partly offset by WOW's conversion of convertible loans in the total amount of €20.5 million (€17.4 million registered in interest-bearing loans and borrowings and €3.1 million registered in derivative financial instruments, net of the 2021 year change of €0.6 million) and the repayment of a €2.5 million loan from Berliner Volksbank, a German bank, in early 2021. The increase of our lease liabilities by €12.7 million due to our opening of new fulfillment centers in Sydney and California in June and September 2021, respectively, contributed further to the €41.7 million increase in total non-current liabilities.

Total Current Liabilities

December 31, 2022 Compared to December 31 2021

Total current liabilities increased by 4.4% to €63.2 million as of December 31, 2022 from €60.5 million as of December 31, 2021, mainly driven by a 6.6% increase in current interest bearing loans and borrowings as well as a 13.5% increase of current lease liabilities, both compared to the previous year, and the current portion of a contingent consideration for the acquisition of Chefgood in the amount of €3.3 million payable in 2023. The increase in lease liabilities is due to our opening of new fulfillment centers in Sydney and California in 2021.

December 31, 2021 Compared to December 31, 2020

Total current liabilities increased by 63.6% to €60.5 million as of December 31, 2021 from €37.0 million as of December 31, 2020 driven by, compared to the previous year, an increase of €10.1 million in trade and other payables, an increase of €3.9 million in current interest bearing loans and borrowings as well as a €3.6 million increase in other financial liabilities, under which we categorize payroll accruals and accrued costs for which we obtained the goods or service but not yet the relevant invoices.

Liquidity and Capital Resources

Cash Flows

The following table provides a breakdown of our cash flows for the periods indicated:

	For the fiscal year ended December 31.		
	2022	**2021**	**2020**
		(audited)	
		(in € millions)	
Operating activities			
Net income for the period (loss)	**(40.0)**	**(46.6)**	**(86.4)**
Adjustments for:			
Depreciation of property. plant. and equipment	*4.3*	*2.3*	*1.2*
Loss on disposals of property. plant and equipment	*0.5*	*0.9*	–
Gain on contract extinguishment	–	*(2.6)*	–
Bad debt expense	*0.6*	–	–
Gain on finance lease receivables	–	*(0.1)*	–
Depreciation of right-of-use assets	*6.2*	*4.9*	*3.5*
Amortization of intangible assets	*5.5*	*2.0*	*1.8*
Increase (decrease) in share-based payments	*1.0*	*1.3*	*0.4*
Financing income and expense	*11.9*	*5.5*	*78.8*
Tax expense (non-cash)	*(0.0)*	*0.0*	–
Other non-cash movements	*(2.1)*	*1.1*	*0.2*
Working capital adjustments			
Decrease (increase) in inventory	(3.7)	(2.8)	(2.8)
Increase (decrease) in accounts payable and accrued expenses	*(1.4)*	*13.5*	*7.5*
Decrease (increase) receivables	*(1)*	*(0.9)*	*(0.2)*
Increase (decrease) in other assets and liabilities	*(0.6)*	*6.5*	*0.4*
Net cash flows from operating activities	**(18.7)**	**(14.9)**	**4.4**
Investing activities			
Purchase of property. plant. and equipment	(3.7)	(15.7)	(5.2)
Purchase/development of intangible assets	(7.0)	(5.8)	(3.3)
Acquisition of Chefgood. net of cash acquired	(7.8)	–	–
Net cash flows used in investing activities	**(18.5)**	**(21.5)**	**(8.6)**
Financing activities			
Proceeds from the issuance of share capital	15.9	–	43.8
Proceeds from exercise of warrants	–	–	2.0
Proceeds from employee option exercise	(0.0)	0.2	0.1
Transaction costs from the issuance of share capital	(0.6)	(0.1)	(2.3)
Proceeds from borrowings	26.5	54.6	3.5
Transaction cost of borrowings	(0.2)	(1.3)	(0.5)
Interest paid	(7.5)	(1.7)	(0.7)
Repayment of borrowings	(7.8)	(3.7)	(7.6)
Lease payments	(8.7)	(6.4)	(4.7)
Net cash flows from/ (used in) financing activities	**17.6**	**41.6**	**33.7**
Net increase (decrease) in cash and cash equivalents	(19.6)	5.1	29.5
Net foreign exchange difference	0.0	(0.9)	(0.5)
Cash and cash equivalents as at 1 January	**38.7**	**34.4**	**5.4**
Cash and cash equivalents as at 31 December	**19.0**	**38.7**	**34.4**

Net Cash Flows from Operating Activities

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Net cash flows from operating activities decreased by 25.5% to negative €18.7 million for the fiscal year ended December 31, 2022 from negative €14.9 million for the fiscal year ended December 31, 2021 which was driven mainly by our working capital dynamics, in particular, notably higher levels of inventory with the addition of Chefgood and a lower level of accounts payable due to reductions in marketing spend.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Net cash flows from operating activities decreased by €19.3 to negative €14.9 million for the fiscal year ended December 31, 2021 from €4.4 million for the fiscal year ended December 31, 2020 driven by a slower rate of sales growth combined with a higher level of marketing spend as compared to the COVID-19 pandemic-related unusually low marketing spend in 2020.

Net Cash Flows Used in Investing Activities

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Net cash out flow from investing activities decreased by 14.1% from negative €21.5 million for the fiscal year ended December 31, 2021 to negative €18.5 million for the fiscal year ended December 31, 2022, primarily attributable to lower capital spend for the purchase of property, plant and equipment which decreased by 76.4% from €15.7 million for the fiscal year ended December 31, 2021 to €3.7 million for the fiscal year ended December 31, 2022. This, however, was partially offset by our capital spend for the acquisition of Chefgood in the amount of €7.8 million and an increase in investments in intangible assets by 20.4% compared to the previous year.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Net cash out flow from investing activities increased by €13.0 million to negative €21.5 million for the fiscal year ended December 31, 2021 from negative €8.6 million for the fiscal year ended December 31, 2020 mainly due to investments in the amount of €15.7 million into the buildouts and equipment for the fulfillment centers in Sydney and California as well as a spend of €5.8 million on software development and other intangible assets.

Net Cash Flows from/(used in) Financing Activities

Comparison of the Fiscal Years Ended December 31, 2022 and December 31, 2021

Net cash flows from financing activities decreased by 57.7% from €41.6 million for the fiscal year ended December 31, 2021 to €17.6 million for the fiscal year ended December 31, 2022 as a result of a decrease in proceeds from borrowings from €54.6 million for the fiscal year ended December 31, 2021 to €26.5 million for the fiscal year ended December 31, 2021 and, consequently, an increase in interest expenses from €1.7 million to €7.5 million. The decrease in proceeds from borrowings was partly offset by gross proceeds from our capital increase in 2022 in the amount of €15.9 million.

Comparison of the Fiscal Years Ended December 31, 2021 and December 31, 2020

Net cash flows from financing activities increased by 23.4% to €41.6 million for the fiscal year ended December 31, 2021 from €33.7 million for the fiscal year ended December 31, 2020, primarily attributable to our draw down of €45.3 million in the aggregate under a credit facility with Runway in 2021, including the facility for the purchase of Chefgood. partially offset by an increase in lease payments by €1.8 million due to the opening of our new fulfillment centers in Sydney and California as well as higher interest paid and transaction costs from borrowing.

Capital Expenditure

We define “capital expenditures” as investments that have been made for resources intended to generate future income and cash flows. Only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities.

The following table provides a breakdown of our capital expenditure for the periods indicated.

	For the fiscal year ended December 31,		
	2022	**2021**	**2020**
		(audited)	
		(in € millions)	
Purchase of property, plant and equipment................	3.7	15.7	5.2

	For the fiscal year ended December 31,		
	2022	2021	2020
	(audited) (in € millions)		
Purchase/development of intangible assets................	7.0	5.8	3.3
Acquisition of Chefgood...	7.8	-	-

Capital expenditures are not recognized as a measure under IFRS and should not be considered as a substitute for an analysis of our consolidated financial statements prepared in accordance with IFRS. In addition, our definition of capital expenditures may not be comparable to similarly titled information published by other companies.

Future and Planned Capital Expenditures

As we grow our business we may need to invest in new capacity by leasing new facilities, including in some cases procuring the construction and/or build-out of those facilities. Other investments will be focused on automation in our fulfillment facilities to achieve operating efficiencies. We further continue to invest, as in previous years, in our product development, such as expanding our selection of meals and items under the Market option, building improved navigation capabilities for our customers in our applications, automating core business processes such as ingredient selection and menu building, as well as defining optimal promotional offers to provide an even better experience for our customers and driving incremental value for the business. Investments into our data platform will continue in order to support automation initiatives, give continuous and easy access to data and ensure a test and learn approach, optimizing towards life time value for everything we do.

Capital Expenditures since December 31, 2022 and Ongoing Capital Expenditures

Our capital expenditures in 2023 to date have been focused on our digital product development, including investments into our data infrastructure and analytics capabilities, customer-facing innovations such as recipe variant options, a new conversion funnel to drive media spend efficiencies and semi-automated complaint processes (amongst others), as well as for payments with respect to our acquisition of Chefgood for which a contingent consideration is payable in 2023 and 2024. As of December 31, 2022, we carried an amount of €4.4 million for any of the contingent consideration payments and may have to pay an amount of €3.3 million in 2023.

Capital Expenditures in the Years 2022, 2021, 2020

In addition to our ongoing investment in our product development, we invested significantly in our production capacity, putting new fulfillment centers into operation in Australia and the United States in 2021. Our fulfillment center in Wetherill Park, Sydney was purpose built to accommodate our expanding operations, consists of more than 14,000 square meters of floor space (some of which is currently subleased) and serves customers located in eastern Australia. Our fulfillment center in Tracy, California has been fitted out to accommodate our business needs, consists of more than 11,500 square meters of floor space and serves customers located in the western United States. Additionally, we introduced new semi-automated packing lines in our facilities.

Financial Risk Management

We are exposed to market, credit and liquidity risk in the course of our business operations. For managing each of these risks senior management reviews and agrees on the relevant policies. The financial risk management is carried out by our finance department under the supervision of our CFO.

Market risk

As we group similar types of risk together, we understand as market risk our exposure to direct materials price risk, foreign currency risk and 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 our results of operations. We manage our direct materials price risk with a detailed menu design and planning process which is aligned with pre-determined cost targets. We endeavor to mitigate significant increases in produce prices by using alternative ingredients, by leveraging our extensive database of recipes to change the offerings for future recipes or by raising prices on our products. In 2022, for example, our sensitivity to a 5% change in produce prices could be quantified as €2.0 million.

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. We operate 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.

We entered into loan agreements which are denominated in AUD or in USD, in addition to EUR. For those loans, there is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. For example, in 2022, the risk amounted to €8.2 million if there is a 11.7% change of the FX rate USD/EUR and to €0.3 million if the FX rate AUD/EUR had changed by 6.1%.

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. We have some fixed interest rates on loans and have not entered into any derivative financial instruments to manage our interest rate risk. Our Runway credit facility, which is our most material debt facility, has a variable interest based on the Secured Overnight Financing Rate ("**SOFR**") as determined from time to time, with a 1% increase or decrease resulting in negative or positive €0.7 million with respect to our interest expenses in 2022.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in us incurring a financial loss. Credit risk can arise as we offer various payment methods and enter into 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. For the maximum exposure to credit risk at the end of the 2022 reporting period per each class of financial asset, see pages F-74 of the Prospectus.

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. For example, the composition of trade and other receivables by geographic location of amounts due from payment service providers (PSPs), corporate customers and others, net of any allowances for uncollectible amounts, was as of December 31, 2022 €0.1 million for Europe, €0.1 million for Australia and €0.6 million for the United States.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management regularly monitors our 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. Our 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. For further information on the maturity of our financial liabilities, see pages F-75 of the Prospectus.

Changes in Accounting Standards

We have 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 the annual reporting periods beginning on or after 1 January 2022. 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.