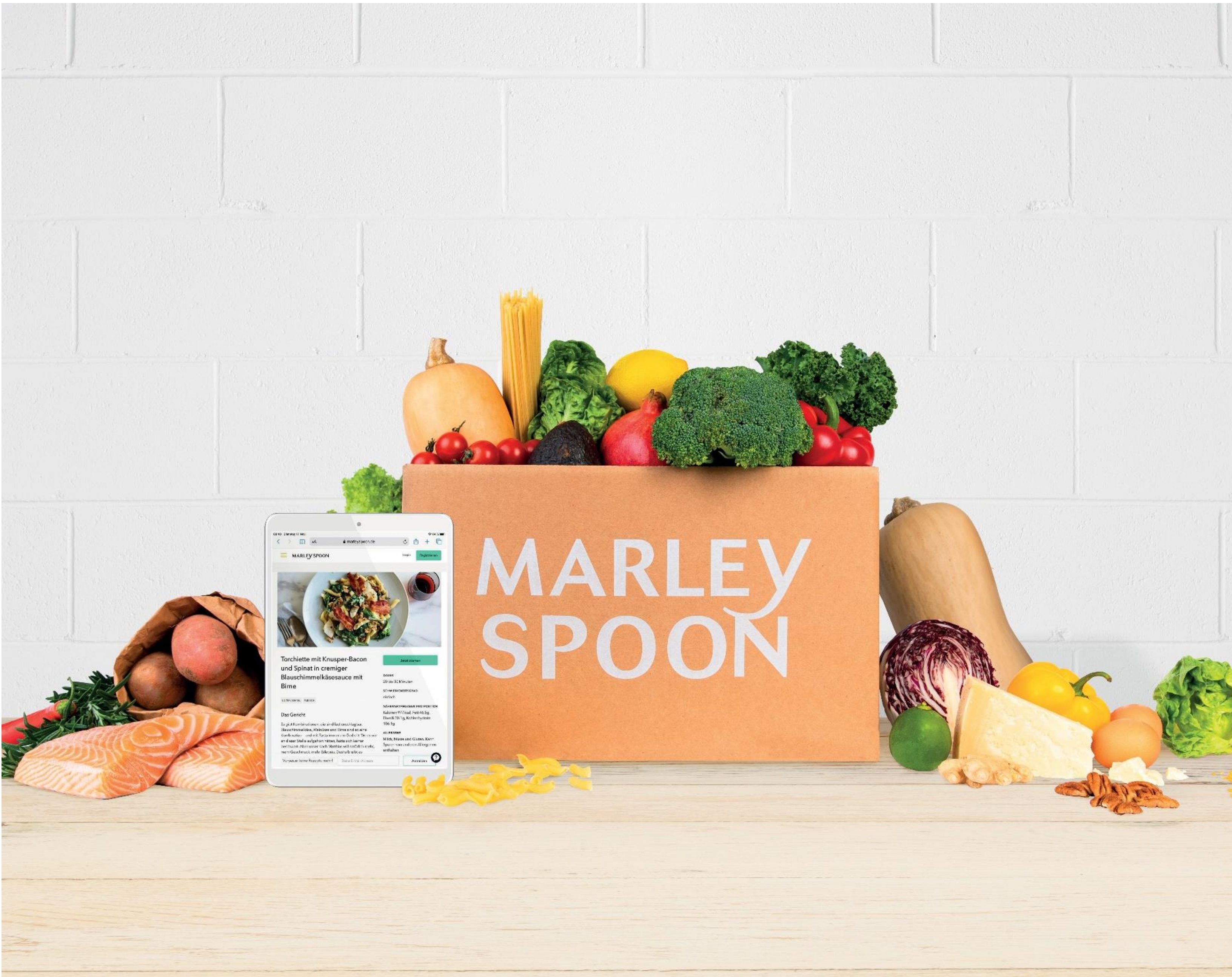
MARLEY SPOON

ANNUAL REPORT 2023

IMPORTANT INFORMATION:
Marley Spoon Group SE is a European company (Société Européenne, SE), incorporated under the laws of the Grand Duchy of Luxembourg having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés de Luxembourg) under number B257664.

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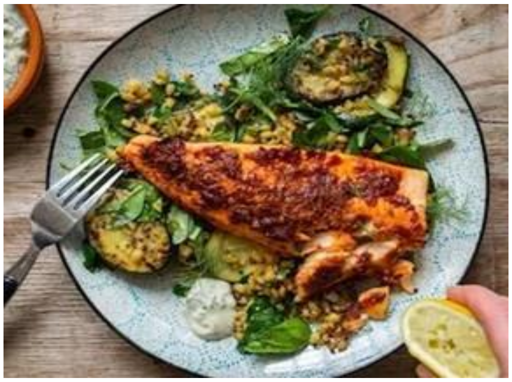


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MARLEY SPOON GROUP KEY PERFORMANCE INDICATORS (KPIs)

Group Financial KPIs

Group	2023	2022	+/- (%)
€ millions			
Net revenue	**328.5**	**401.2**	**(18.1)%**
Net revenue on a constant currency basis	343.6	401.2	(14.4)%
CM %	**31.6%**	**28.7%**	**2.9 pts**
Operating EBITDA	(3.6)	(8.8)	58.8%
Operating EBITDA %	**(1.1%)**	**(2.2%)**	**1.1 pts**
Cash flow from change in net working capital	(4.7)	(6.6)	29.4%
Cash flow from operating activities (CFOA)	(13.2)	(18.7)	29.5%
Cash & cash equivalents	12.7	19.0	(32.9)%

Segment Financial KPI

Australia	2023	2022	+/- (%)
€ millions			
Net revenue	**136.0**	**154.3**	**(11.8)%**
Net revenue on a constant currency basis	146.6	154.3	(5.0)%
Contribution margin (CM)	41.8	47.8	(6.0)
CM %	**30.7%**	**31.0%**	**(0.3 pts)**
Operating EBITDA	**7.9**	**8.8**	**(0.9)**
Operating EBITDA %	5.8%	5.7%	0.1 pts

United States	2023	2022	+/- (%)
€ millions			
Net revenue	**158.8**	**197.4**	**(19.6)%**
Net revenue on a constant currency basis	163.4	197.4	(17.3)%
Contribution margin (CM)	53.9	57.8	(3.9)
CM %	**33.9%**	**29.3%**	**4.6 pts**
Operating EBITDA	**11.7**	**11.9**	**(0.2)**
Operating EBITDA %	7.4%	6.0%	1.4 pts

Europe	2023	2022	+/- (%)
€ millions			
Net revenue	**33.7**	**49.5**	**(32.0%)**
Contribution margin (CM)	8.1	9.7	(1.6)
CM %	**23.9%**	**19.7%**	**4.2 pts**
Operating EBITDA	**(22.6)**	**(29.5)**	**6.9**
Operating EBITDA %	(67.2%)	(60.0%)	(7.2) pts
Operating EBITDA excluding headquarter costs	**(2.5)**	**(7.5)**	**5.0**

Other KPIs

	2023	2022	+/- (%)
Active customers (thousands)*	245	313	(21.7%)
Active subscribers (thousands)*	193	249	(22.5%)
Average order value (EUR, net)	59.07	55.78	5.9%
Average order value (EUR, net) at constant currency	61.79	55.78	10.8%
Total orders (millions)	5.6	7.2	(22.7%)
Meals sold (millions)	50.5	62.8	(19.6%)
Average meals per order (thousands)	9,080	8,729	4.0%
Cost per acquisition (CAC, EUR)**	87.12	66.71	30.6%
% revenue from repeat customers	95%	95%	-

*As at Q4 2023
**New methodology applied in FY 2023 that considers an acquisition at time of delivery, not sign-up. On a like-for-like basis, 2023 CAC would be EUR 76.01, representing a 13.9% increase versus FY 2022.

FROM THE CEO

Luxembourg, April 2024

Dear Shareholders,

2023 was a challenging year for Marley Spoon SE, Marley Spoon Group's operating subsidiary, with inflation and economic uncertainty impacting customer sentiment, which led to lower consumer spending for groceries in general and meal kits in particular. The team at Marley Spoon SE responded by keeping their heads down and focusing so we could continue to do what we love: helping our customers and their loved ones to live healthy lives through delicious and nutritious food.

While the soft consumer demand led to a reduction in revenue, Marley Spoon SE was able to expand contribution margin and improve Operating EBITDA year over year, ending with a profitable fourth quarter.

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

Revenue contraction due to challenging consumer environment
In 2023 Marley Spoon's business contracted by 14.4% in constant currency. This was driven on the one hand by lower order frequency of the existing customer base stemming from budget and value-for-money concerns in H1 and on the other hand by lower marketing efficiency through the first three quarters of the year that caused Marley Spoon to reduce marketing spend y-o-y by 13%.

Strong expansion of contribution margins
Despite the lower revenue Marley Spoon expanded margins by 290 basis points, reaching record contribution margin of 31.6% for the full year driven by operational improvements, especially in our US and European business, as well as pricing changes across our brands.

Cost reduction programs and improved Operating EBITDA
In order to improve Operating EBITDA y-o-y despite the softer revenue, the Company looked for ways to operate more leanly and effectively which resulted in two cost reduction initiatives, one in Q1 and the other in Q4 of 2023. Consequently, G&A adjusted for one-off restructuring costs and non-recurring costs associated with the business combination (transaction costs and listing fee), was reduced by 11% y-o-y and Marley Spoon SE entered the new year with a lower fixed cost base which should contribute to its financial performance in 2024.

Menu expansion and expanded customer value proposition
We have learned that an attractive and personalized recipe offering improves customer loyalty and increases average order value. Consequently, over the years we have been a leader in recipe choice and flexibility in all regions in which we operate. In 2023 we maintained this leadership as we continued to aspire to offer a personalized meal solution that serves each of our customers based on their individual preferences. Furthermore, in reaction to the economic environment we expanded our offering of saver recipes to provide a solution to budget-conscious customer segments. The continuous improvement of our product offering throughout last year led to an increase in meals per order which led to higher basket sizes as our customers were able to find more choices that suit their families' tastes and preferences.

Sustainability
Marley Spoon SE's business model has an advantage compared to the traditional supermarket retail model. Whereas supermarkets are facing food waste due to the short shelf life of perishable items they have in stock, Marley Spoon's made-to-order supply chain avoids most food waste. Additionally, according to a 2019 study by the University of Michigan, cooking with a meal kit reduces greenhouse gas emissions on average by one-third, compared to a traditional supermarket's emissions. In 2023 Marley Spoon SE published our third Sustainability Report to share our commitment to building an ever more sustainable business.

Strategic focus and 2024 outlook
In 2024 Marley Spoon SE will sharpen its strategic product focus to continue to meet the mealtime needs of our customers, be it through our meal kit or our ready-to-heat brands. We believe that such a value proposition can support organic growth. At the same time we see the opportunity to drive growth through market consolidation, leading to increased scale and efficiency.

We began the year by seeing a stabilization of consumer demand as inflation rates have come down and consumers seem to have adapted their purchasing allocations. We therefore will continue to focus on attracting new subscribers at favorable unit economics and acquisition costs. At the same time we will drive the integration of our newly acquired brand bistroMD while developing our strategic asset-light manufacturing and fulfillment partnership for the US with FreshRealm.

As we are entering now the 10th year since we started Marley Spoon SE, I believe we are still at the beginning of our journey to be a global leader providing meals to customers in a healthy and sustainable way. I appreciate your continued trust and support on this ongoing journey and would also like to thank the team at Marley Spoon for their hard work and dedication.

Fabian Siegel
Founder & Chief Executive Officer

FROM THE CHAIRMAN

Luxembourg, April 2024

Dear Shareholders,

I am pleased to present to you the Annual Report for the fiscal year 2023, a year that was very successful, driven by the closing of the Business Combination with Marley Spoon SE allowing for the SPAC to invest in an innovative and well-positioned food tech business. The combined business was nevertheless challenged by its macroeconomic environment.

I would like to share our achievements, setbacks, and the strategic direction we are charting for the future.

Highlights of the year:

- Completion of a business combination with Marley Spoon SE, a leading global subscription-based meal kit provider
- Equity raise by Marley Spoon SE of EUR 35 million, a sign of support of the business combination and in the Company's new subgroup;
- Tender offer by the Company in late 2023 with our shareholding in Marley Spoon SE reaching 95% upon settlement of the offer; delisting of Marley Spoon SE from the ASX intended in 2024;
- Growing contribution margin despite inflationary pressures and a volatile operating environment, with significant year-over-year improvement, especially in the US, Marley Spoon's largest market, but also in Europe with efficiency gains.

We continued to drive innovation in Marley Spoon's service offerings by expanding and personalizing menu choice while offering additional convenience grocery items to existing customers, thereby expanding basket size. Average order value increased 6% for the full year and meals per order increased 4%, suggesting that customers were adding more to their boxes.

Financial overview

In 2023, Marley Spoon faced significant macroeconomic headwinds as did many others in the industry, with high inflation followed by rising interest rates leading to uncertain buying behavior, most notably in Europe, with Germany in particular falling into recession. However, despite these challenges, I am proud to report that Marley Spoon demonstrated resilience and adaptability, with the Company further strengthening its focus on profitability and cash preservation. Key results for the period included:

- Net revenue: EUR 328.5 million, reflecting a decrease of 18.1% compared to the previous year, mainly driven by the macroeconomic situation. In constant currency terms, the decline was a bit more moderate at (14.4%);

- Contribution margin: we saw a notable improvement of 2.9 percentage points compared to the previous year to 31.6%. This positive shift was a result of strategic cost management and implementing operational efficiencies across the organization;

- Operating EBITDA: despite the challenges and the revenue decrease, we achieved an Operating EBITDA of EUR (3.6) million, an improvement of EUR 5.2 million compared to the previous year. This positive trajectory is indicative of our commitment to boosting profitability and operational effectiveness across the overall business.

The Management Board

In April 2023, Ms. Jennifer Bernstein, member of the Management Board (Vorstand) and Chief Financial Officer of Marley Spoon SE, extended her Marley Spoon SE service agreement to 31 March 2026 and in July 2023 became a member of the Management Board of Marley Spoon Group. In October 2023, we announced the appointment of Mr. Daniel Raab as member of the Management Board (Vorstand) and Chief Operating Officer of Marley Spoon SE, succeeding Mr. Rolf Weber as Management Board member of Marley Spoon SE and joining the Management Board of the Marley Spoon Group SE. Finally, we extended the appointment of Mr. Fabian Siegel as Chairman of the Management Board (Vorstand) and Chief Executive Officer to 31 August 2028 for both Marley Spoon SE as well as Marley Spoon Group SE.

Supervisory Board composition
In H2 2023, on the back of the business combination agreement and the subsequent tender offer with the intent to ultimately delist Marley Spoon from the ASX, a new board was installed:

- Mr. Christian Gisy became Chairman of the Company's Supervisory Board on 30 June 2023. He is also Chairman of the Supervisory Board of Marley Spoon SE;
- Mr. Alexander Kudlich (formerly director of 468 SPAC II SE) was appointed as a member of the Supervisory Board on 30 June 2023. He also joined the Supervisory Board of Marley Spoon SE as non-executive Director, effective 11 September 2023;
- Mr. Yehuda Shmidman was appointed as a member of the Supervisory Board on 30 June 2023.
- Ms. Judith Jungmann and Ms. Erika Söderberg Johnsson, Chair of the Nominations and Remunerations Committee and Chair of the Audit and Risk Committee, respectively, of Marley Spoon SE, act as board observers for Marley Spoon Group SE.

Sustainability
Our sustainability goals are based on where Marley Spoon can make a difference. We prioritize the most material, environmental, social, and governance issues. The CEO, with the support of the Head of Sustainability, has the accountability for defining and meeting our goals and ensuring progress throughout the organization while the Supervisory Board oversees the progress against sustainability targets and the application of the relevant standards. The Company's 2023 Non-Financial Report (formerly the Sustainability Report) will be published independently of the Annual Report.

Marley Spoon's environmental goals focus on management and reduction of carbon emissions, reduction of waste and food waste and development of more sustainable exclusive packaging, while our social goals focus on building a diverse and inclusive global company culture and caring for our team members' overall well-being, health, and safety.

Areas of focus
The Supervisory Board anticipates that as in 2023 the business will continue to benefit from the following in 2024:

- focusing intensely on the core operations of the business, simplifying and investing where possible;
- act as market consolidator where opportunities arise;
- disrupting with innovation in production and fulfillment, thereby redefining the core operating model;
- a focus on our people, building internal capabilities, leadership and accountability;
- reviewing options to refinance the Company's debt as the underlying profitability and cash position improve.

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

Acknowledgments:
I extend my heartfelt gratitude to our dedicated team whose hard work and resilience have been crucial during these difficult times.

Thank you, our valued shareholders, for your trust and confidence in Marley Spoon. We are resolute in our dedication to delivering long-term value and ensuring transparency in our communication with you.

In conclusion, I am optimistic about the future of our Company. We are confident that the strategic decisions made under the business combination, and the lessons learned in 2023 will pave the way for a more prosperous and resilient future.

Christian Gisy
Chairman/Vorsitzende

GROUP MANAGEMENT REPORT OF MARLEY SPOON GROUP SE

1 Overview

Marley Spoon Group SE (formerly 468 SPAC II SE and hereinafter "the Company") 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. The Company is registered with the Luxembourg Trade and Companies Register 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. Effective 11 July 2023, the Class A shares of the Company are trading on the Frankfurt Stock Exchange under the new trading symbol "MS1". Likewise, the Company's Class A warrants are also traded on the open market of the Frankfurt Stock Exchange under the symbol "SPVW".

The Company has been originally 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").

2 Business Combination

On 25 April 2023, the Company has signed a Business Combination Agreement with Marley Spoon SE (formerly Marley Spoon AG and hereinafter "Marley Spoon" and together with the Company and its subsidiaries "the "Group"), a leading global subscription-based meal kit provider. Marley Spoon is a European company (Societas Europaea, SE), established under EU law (EC Regulation 2157/2011 and Directive 2001/86/EC) in conjunction with German law (SE Introductory Act of 2004 and the German Stock Corporation Act (Aktiengesetz, AktG)) with its headquarters in Berlin, Germany, registered with the Commercial Register of the local court (Amtsgericht) Charlottenburg under HRB 250627 B. Marley Spoon is also listed on the Australian Securities Exchange (ASX) and trades in securities called CHESS Depositary Interests (CDIs).

On 6 July 2023, the Company successfully completed its Business Combination with Marley Spoon SE. The Company acquired shares representing 84% of the Marley Spoon in exchange for the Company's issuance of 7,912,290 Class A shares without nominal value for an aggregate subscription price of EUR 79,122,900.

The transaction was accounted for as a reverse acquisition in accordance with IFRS. Under this method of accounting, the Company was treated as the "acquired" company for financial reporting purposes. Therefore, for accounting purposes, the Business Combination is treated as if Marley Spoon issued shares to the Company in exchange for the net assets of the Company. Consistent with the guidance in IFRS 2, Marley Spoon has determined the difference between the fair value of the consideration paid and the fair value of net assets acquired and recognized an expense of EUR 60.4 million. The financial statements of the Group represent a continuation of the financial statements of the accounting acquirer i.e. Marley Spoon SE (please refer to note 8.1 to the financial statements).

3 Business Model & Strategy

3.1 How it works

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

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

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

Step 2: Customers decide what to cook and when

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

- the number of portions required (generally either between 2-12 portions per recipe); and
- a delivery day and time (options can vary by region).

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

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

Step 4: Customers cook and enjoy

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

3.2 Multi-brand strategy

Marley Spoon

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

In the US, Marley Spoon has a licensing and promotion agreement with Martha Stewart Living Omnimedia, recently extended through the end of calendar year 2026. Through this agreement, Marley Spoon offers the co-branded 'Martha Stewart and Marley Spoon' meal kit.

Dinnerly

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

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

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

Chefgood

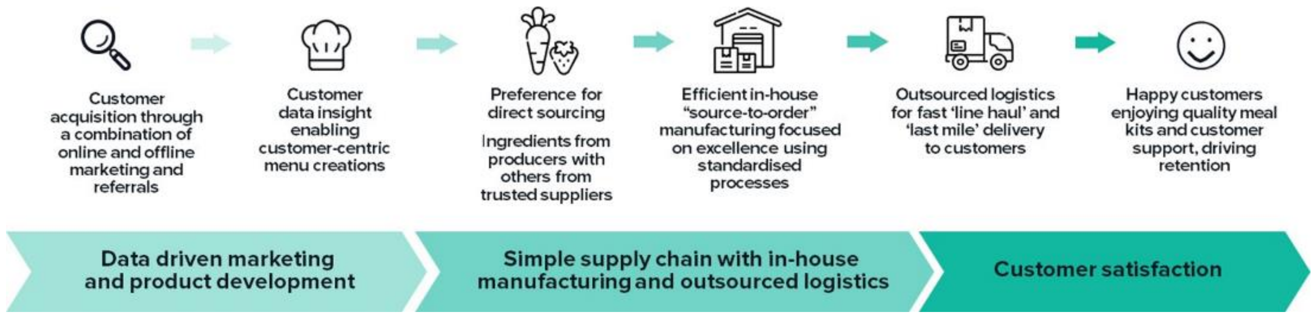
Chefgood is the Marley Spoon's Australian ready-to-heat brand founded in 2013 and acquired by Marley Spoon in January 2022. Chefgood is focused on preparing and delivering high quality, healthy meals for everyday eating and helping customers achieve wellness and weight goals. Chefgood is offered via its own online platform as a subscription as well as via an add-on offer on the Marley Spoon and Dinnerly meal kit websites. It is currently only available in Australia.

BistroMD

In February 2024, Marley Spoon Group SE acquired BistroMD, a US-based doctor-designed ready-to-eat meal plan provider, adding it to Marley Spoon's portfolio of brands. BistroMD is currently sold in the US only.

3.3 Key features of the Marley Spoon business model

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



3.4 Product development

Marley Spoon continuously strives to improve its products and service levels, optimize its operations, reduce costs, and pursue projects that will create a future economic benefit. Marley Spoon's Product and Engineering teams reporting to the Chief Technology Officer are focused on developing software solutions for Marley Spoon's customers and software tools for use by the wider business across all functions.

In 2023, significant progress was made on Marley Spoon's digital technology, with advancements made on its product offering, data and operational capabilities. Marley Spoon introduced a new self service capability that provides customers with the ability to report issues with their delivery or meals via Marley Spoon's mobile apps. The user interface for the weekly menu was updated to include the ability to filter results according to a customer's dietary preferences. The core platform was also improved to provide increased pricing flexibility for delivery slots and to shorten the gap between order and the first delivery by a day.

Data science was leveraged in several areas across the business. Enhancements were made to the recommendation system to increase the prominence of new recipes and to suggest recipe customizations that are most relevant for each user. Improvements were made to several data science models including but not limited to order forecasting and demand forecasting for non-food items such as packaging and insulation.

In Marley Spoon's fulfillment centers, previously introduced handheld scanners and barcodes were completely rolled out to every process step that included inventory movement so that system inventory levels are as close to physical reality as possible. A new feature was added to the production line monitoring system that enabled operators to report root causes for interruptions and delays as they happened, providing actionable insights for the improvement of important operational metrics such as line speed and downtime.

Marley Spoon capitalized EUR 7.5 million of digital assets in fiscal year 2023, of which EUR 6.6 million was internally developed software. Marley Spoon recognized EUR 5.0 million of total amortization expense. Total product development expenditure for 2023 was EUR 9.4 million (2022: EUR 8.7 million).

3.5 Performance measurement system

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

3.5.1 Financial performance indicators

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

Net revenue	The receivable for goods supplied and is defined as gross revenue net of promotional discounts, customer credits, refunds and VAT
Net revenue on a constant currency basis	Net revenue adjusted for EUR fluctuations against the USD & AUD year over year
Contribution margin	Gross profit less fulfilment expenses, where gross profit means net revenue less cost of goods sold

Operating EBITDA	Earnings before interest, tax, depreciation and amortization (EBITDA), excluding the effects of special items such as equity-settled share-based payments, as well as significant items of income and expenditure that are the result of an isolated, non-recurring event. This is an indicator for evaluating operating profitability
Net working capital	The sum of current trade and other receivables, inventories, and prepayments, less the sum of trade and other payables, current provisions, deferred income and other current creditors
Cash flow from operating activities	An indicator of the operating cash flows generated by the business. It is calculated as net income adjusted for all non-cash income/expenses plus/minus cash inflows/outflows from net working capital

3.5.2 Non-financial performance indicators

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

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

4 Economic Position & Position of the Group

4.1 Economic outlook & industry overview

In 2023, high input costs and economic uncertainty persisted, despite attempts to curb inflation through monetary tightening and reduced fiscal support. Geopolitical tensions, such as the war in Ukraine, and high interest rates, added to ongoing economic challenges. Despite inflation in produce, protein, and fuel prices, Marley Spoon successfully mitigated these challenges with improved food cost planning and delivery operations, innovative packaging strategies, and an expanded product range featuring premium recipes at higher price points.

The International Monetary Fund's (IMF) January 2024 World Economic Outlook suggests an improved outlook for inflation in 2024, however, it is still projected to linger above pre-COVID levels, with an expected rate of 5.8%. Marley Spoon is seeing continued inflation in its business albeit at a lower level as compared to 2023. Price increases, entering into contracts for a certain duration for raw materials and other initiatives such as adjusting recipes according to ingredient costs, will help offset inflation.

According to various news outlets and studies, consumer confidence in Europe remains pessimistic, with views on the economic outlook deteriorating (Euronews, January 2024). Conversely, the United States saw an increase in consumer confidence, signaling optimism for 2024 despite some fluctuations in expectations (The Conference Board's consumer confidence index reported in December 2023). In Australia, consumer confidence rose to its highest level in 20 months, attributed to moderating inflation and changing expectations for interest rates (The Westpac-Melbourne Institute Consumer Sentiment index reported in February 2024).

Industry overview

The meal kit industry is quite nascent, with the biggest players having been founded within the last decade and growing to scale in an even more recent timeframe. Global sales of meal kits were valued at $11 billion in 2021 according to a study done by Allied Market Research ("Meal Kit Market, Opportunities and Forecast 2021-2031", December 2022) and is expected to reach approximately $43 billion in sales by 2031, a 15% CAGR, owing in part to the fact that meal kits are a niche segment within the online grocery segment, which itself is also still developing and growing. In fact, the trade newsletter/website Grocery Dive published findings from a report by Brick Meets Click and Mercatus in January 2023 that suggests online grocery sales will increase at a rate of 12% over the next five years. The study also suggests that online grocery will shift from approximately 11.2% penetration of overall grocery spending in 2022 to 13.6% in 2027 (research by McKinsey published in a September 2023 article, “The State of Grocery in North America 2023”, puts that figure even lower in the US, at just 6.6% in 2022).

Given the relatively low penetration of online grocery within overall grocery, a vast category, Marley Spoon believes there is a market and strong growth trajectory for meal kits. As consumers continue to shift from offline to online grocery shopping, meal kits as a sub-segment of online grocery should continue to benefit. The potential total addressable market, combined with trends facing the grocery industry, as identified by McKinsey—namely an elevated personal experience and sustainability, to name two—align with Marley Spoon’s mission to provide personalized mealtime solutions to customers in a sustainable way.

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

4.2 Marley Spoon Group SE share and share capital structure

The Company’s issued capital as of 31 December 2023 amounts to 29,174,190 shares.

The Company is a listed entity with its Class A shares traded in the regulated market of Frankfurt Stock Exchange since 20 January 2022. Likewise, the Company’s Class A warrants are also traded on the open market of the Frankfurt Stock Exchange. The Company also has 4,987,500 Class B shares and 4,720,000 Class B warrants issued and outstanding as at 31 December 2023 that are not listed on a stock exchange.

As of 31 December 2023, 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.

Basic share data

Type	Public Shares and Public Warrants
Stock exchange	Frankfurt Securities Exchange (FWB)
Class A shares issued	29,174,790
ISIN	LU2380748603
Ticker symbol	MS1
Stock exchange	Frankfurt Securities Exchange (FWB)
Class A warrants issued	7,000,000
ISIN	LU2380748785
Ticker symbol	SPVW

4.3 Group financial position and performance

EUR in millions	31 December 2023	31 December 2022
Assets		
Current assets	27.2	36.2
Non-current assets	83.9	75.7
Total assets	**111.1**	**111.9**
Equity and liabilities		
Current liabilities	58.2	63.2
Non-current liabilities	96.7	91.8
Total liabilities	**154.9**	**155.0**

Equity	**(43.8)**	**(43.1)**
Total equity and liabilities	**111.1**	**111.9**

Current assets decreased from EUR 36.2 million to EUR 27.2 million in 2023. This was mainly due to the Company's lower cash position of EUR 12.7 million at year-end (2022: EUR 19.0 million), a decrease in inventory of EUR 3.8 million to EUR 9.3 million in 2023, partially offset by an increase in trade and other receivables of EUR 0.8 million to EUR 1.5 million in 2023.

Non-current assets increased by EUR 8.2 million to EUR 83.9 million in 2023. Right-of-use assets increased by EUR 10.5 million, driven primarily by the Company's new fulfilment centre in Perth, Australia and the renewal of the Company's New Jersey fulfillment center lease in the US. The capitalization of future dismantling costs for the Company's California and Sydney fulfillment centers of EUR 827 thousand was reallocated from property, plant and equipment to right-of-use assets, also contributing to the increase and subsequently contributing to the decrease of property, plant and equipment, which was EUR 3.5 million lower as compared to 2022. Intangibles assets increased by EUR 1.5 million.

Current liabilities decreased from EUR 63.2 million to EUR 58.2 million in 2023 driven by the Company's repayment of its EUR 5 million loan facility with Berliner Volksbank (BVB), partially offset by a new loan obtained from BVB in the amount of EUR 2.5 million. A reduction in other financial liabilities driven by a partial settlement of the Chefgood earnout payments in the amount of EUR 2.5 million also contributed to the reduction in current liabilities.

Non-current liabilities increased by EUR 4.9 million as a result of the following movements; increase of the lease liability of EUR 8.3 million from the new Perth fulfillment center in Australia and renewal of the New Jersey fulfillment center in the US, as well as the recognition of a EUR 0.5 million financial liability on the Class A warrants issued by the Company. These were partially offset by a reduction in long-term borrowings of EUR 3.4 million and non-current provisions of EUR 0.5 million.

Negative equity increased by EUR 0.7 million, with the capital raise of EUR 35.0 million by Marley Spoon SE and the business combination adjustments of EUR 55.3 million being offset by an increase in retained losses of EUR 91.6 million and other changes in the comprehensive income including a share option gain of EUR 1.6 million.

Earnings position of the Group

For the 12 months ended 31 December 2023, net revenue decreased by EUR 72.7 million or 18.1% ((14.4%) on a constant currency basis) to EUR 328.5 million compared with the 2022 financial year (EUR 401.2 million). By segment, Australia declined 11.8%, the United States declined 19.6% and Europe declined 32.0%. Low consumer confidence and heightened price sensitivity impacted acquisition volumes and order frequency. Additionally, reduced marketing spend in the second half of 2022 impacted subscriber growth in the beginning of 2023. Though average order value increased in FY 2023 vs. the PCP by 6% (11% in constant currency), it was not enough to compensate for the reduced order volume.

Shortly into the start of 2023 the Company had indications that the expected net revenue outlook of single digit net revenue growth in constant currency as compared to FY 2022 would be difficult to achieve and subsequently revised its guidance to the market down to a single digit decline vs. the PY in constant currency. By the end of Q2 2023, the Company anticipated a possibility that the net revenue decline would be in the double digit, not single digit, range, and further revised guidance downward. This was driven in part by the Company's deliberate decision to reduce marketing spend in order to improve customer quality (i.e. offering lower discounts) and focus on profitability.

Contribution margin (CM) as a % of revenue was 31.6%, a 290 basis point improvement over the prior year's performance and in-line with the Company's 2023 outlook. This was achieved on the basis of an increase in meals per order, average order value, which was partially attributed to increased prices in the US at the end of 2022, and operational improvements and efficiencies.

Marketing expense decreased 13.2% year-on-year driven by the Company's deliberate decision to reduce marketing spend in 2023 in order to better balance measured topline growth with a focus on improved profitability. Marketing as a per cent of net revenue was 16.9% for the year, an increase of approximately 100 basis points as compared to 2022 (16.0%).

General & Administrative (G&A) expenses increased by 75% as compared to FY 2022 mainly due to the IFRS 2 adjustment (listing fee) of EUR 60.4 million related to the reverse acquisition. Excluding the IFRS 2 adjustment, G&A decreased by 1.7% vs. the PCP. This includes approximately EUR 13.8 million of one-time costs related principally to transaction fees in connection with the business combination agreement and restructuring expenses and severance payments related to a restructuring program executed by the Company during FY 2023.

Earnings Before Interest & Tax (EBIT) was EUR (89.9) million in 2023, a EUR 62.2 million increase as compared to 2022 (EUR (27.6) million) driven by the EUR 60.4 million IFRS 2 adjustment, as well as the net revenue decline and one-time costs.

Financing Income & Expenses decreased by EUR 8.3 million to EUR (3.9) million in 2023 from EUR (12.2) million in the PCP, mainly driven by the EUR 9.5 million revaluation gain of the Class A warrants of the Company following the Business Combination offset by the EUR 2.7 million increase in interest expense on the Company's loan facilities.

The Company's net loss for the period increased from EUR (40.0) million in 2022 to EUR (94.0) million in 2023 driven largely by the IFRS 2 adjustment.

Operating EBITDA for the full year was EUR (3.6) million, an improvement of EUR 5.2 million compared to 2022 which is in line with the Company's revised outlook at the end of Q2 2023 to deliver full year 2023 Operating EBITDA in line with or better than FY 2022. The revised outlook and lower Operating EBITDA outcome versus the Company's 2022 management report resulted from the lower than anticipated revenue. The Company's contribution margin expansion, reduction in marketing spend and disciplined focus on cost control, contributed to the improvement.

EUR in millions	**2023**	**2022**	**Change vs. prior year**
Revenues	**328.5**	**401.2**	**(18%)**
Cost of goods sold	(174.1)	(216.8)	(20%)
Gross profit	154.4	184.4	(16%)
Fulfilment expenses	(50.6)	(69.1)	(27%)
Contribution margin (CM)	**103.8**	**115.3**	**(10%)**
CM as % of revenues	**31.6%**	**28.7%**	**2.9 pts**
Marketing expenses	(55.6)	(64.0)	(13%)
General & administrative expenses	(138.0)	(79.0)	75%
Operating expenses	**(193.6)**	**(143.0)**	**35%**
EBIT	**(89.9)**	**(27.6)**	**226%**
Financing income & expenses	(3.9)	(12.2)	(68%)
Earnings before taxes (EBT)	(93.7)	(39.9)	135%
Tax (expense) / benefit	(0.2)	(0.1)	100%
Net loss for the period	**(94.0)**	**(40.0)**	**135%**
Operating EBITDA	**(3.6)**	**(8.8)**	**59%**
Operating EBITDA as % of revenue	**(1.1%)**	**(2.2%)**	**1.1 pts**

Cash flows and cash position

Cash flows used in operating activities (CFOA) was EUR (13.2) million in 2023, an improvement of EUR 5.5 million as compared to FY 2022, driven largely by the significant reduction in inventory levels of EUR 3.8 million, a key focus of the Group in 2023. Other non-cash movements include the capitalization of the Runway deferral fee totaling EUR 592 thousand and movement on currency translation. The deferral fee, which was settled through the issuance of shares, relates to the deferment of interest capitalized to the Company's outstanding loan balance with Runway Growth Finance Corp. in connection with the business combination agreement for the 6-month period April to September 2023.

Cash flow from investing activities was EUR 4.6 million for FY 2023, EUR 23.0 million above FY 2022 (EUR 18.5 million which included investment in its Chefgood acquisition in Australia). This is mainly from the cash contributed by Marley Spoon Group SE. The Company also continued to invest in its digital infrastructure but reduced its expenditures on property, plant and equipment. EUR 2.5 million was spent toward earn out payments for Chefgood.

Cash flow from financing was a positive EUR 2.3 million for FY 2023, EUR 15.2 million lower than FY 2022 (EUR 17.6 million). Marley Spoon received proceeds from the issuance of share capital of EUR 35.0 million in 2023 but proceeds from borrowings for FY 2023 were EUR 10.4 million as compared to EUR 26.5 million in the prior year. Cash proceeds were further offset by repayment of borrowings of EUR 20.2 million, interest paid of EUR 5.2 million, lease payments of EUR 8.9 million and payment of EUR 7.0 million to Class A shareholders who redeemed their shares prior to the Business Combination.

Marley Spoon always met its payment obligations during the financial year. In connection with the Company's liquidity, Marley Spoon had various financing events in 2023:

- In Q1 2023, Marley Spoon repaid its EUR 5 million loan facility with Berliner Volksbank (BVB) and subsequently drew down a new EUR 5 million money market loan from BVB. The new loan retained the same interest rate of 6.5% + EURIBOR per annum. In August 2023 BVB extended this loan by two months to October 2023. In November 2023, Marley Spoon secured an EUR 2.5 million money market loan, carrying an interest rate of 7.53% + 3-month EURIBOR per annum. The maturity date is May 30, 2024 and may be extended upon agreement;
- In Q2 2023, Marley Spoon raised EUR 35.0 million in gross proceeds from a capital raise associated with the business combination agreement. An additional EUR 10 million in non-redeemed SPAC funds remained in Marley Spoon Group SE;
- Following the capital raise, EUR 7.8 million was used in Q2 2023 to pre-pay, without penalty, a portion of Marley Spoon's outstanding loan balance with Runway Growth Capital. The principal repayment was accompanied by a reduction of 1 percentage point in the cash interest rate on the outstanding loan balance, from 8.5% over three-month SOFR to 7.5%;
- A new asset financing agreement was signed in Q3 2023 with National Australia Bank in the amount of EUR 2.5 million, the proceeds of which are being utilized for fitting out the new Perth FC;
- Also, in Q3 2023, Marley Spoon obtained EUR 0.2 million in insurance premium financing;

As at 31 December 2023, the cash and cash equivalents on balance amounted to EUR 12.7 million (prior year: EUR 19.0 million). For 2024, the Management Board assumes that all existing payment obligations can be met.

EUR in millions	31 December 2023	31 December 2022
Cash flows from operating activities	(13.2)	(18.7)
Cash flows from investing activities	4.6	(18.5)
Cash flows from financing activities	2.3	17.6
Net increase (decrease) in cash and cash equivalents	**(6.3)**	**(19.6)**
Cash and cash equivalents at the end of the year	**12.7**	**19.0**

5 Risk and Opportunities Report

In the course of its business, Marley Spoon Group SE and its subsidiaries face risks and opportunities that can impact its results of operations and financial position. Transparent management and control systems are used to identify these risks and opportunities early and to manage them accordingly. This report presents the most important items applicable to the Company, the majority of which pertain to the operating subsidiary, Marley Spoon SE.

5.1 Internal control system

Everyone at Marley Spoon is expected to anticipate and mitigate risks. However, according to Marley Spoon SE's Management Board Schedule of Responsibilities (*Geschäftsverteilungsplan*), the Chief Financial Officer (CFO), supported by the legal and finance leadership team, is responsible for overseeing a risk management framework. This framework is established and operated by the Management Board (*Vorstand*) of Marley Spoon SE which bears overall responsibility for risk across the organization. As with its other responsibilities, the Management Board is advised and supervised by the Company's Supervisory Board (*Aufsichtsrat*) in relation to the effectiveness of the internal control system and the Company's overall risk management.

As a part of its risk management, Marley Spoon maintains a system of internal controls over its financial reporting, aiming to identify, evaluate and mitigate any risks that could influence the proper preparation of the Company's and subsidiaries' individual and consolidated financial statements (*Jahresabschluss, Konzernabschluss*). This system is at the core of Marley Spoon's accounting and reporting processes and includes preventive, monitoring, and detective measures such as month-end closing checklists, variance analyses, approval guidelines and other principles and procedures, in both financial and operational functions. Additionally, the Supervisory Board of Marley Spoon Group SE has been acting as the Audit Committee (AC) of the Company until such time as an AC may be appointed.

5.2 Risk reporting and methodology

Marley Spoon's risk management framework is used to support Marley Spoon's business operations, to provide consistency in addressing risks, and ultimately to facilitate compliance with regulatory requirements. As part of this framework, relevant risk items are documented in an internal risk register (RR) which provides information on Marley Spoon's risk exposure and its mitigation activities and tracks the progression and remediation of risks. This comprehensive risk assessment allows for informed decision-making and an appropriate response to the identified risks.

Marley Spoon's Executive Committee continually updates the RR based on the input across all of the business functions. The RR is reviewed by the CFO, considered by Marley Spoon's Management Board, and made available to the Supervisory Board, and the Company's and subsidiary's auditors. The cyclical reporting process is supplemented by ad-hoc reporting, in the case that critical issues arise.

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

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

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

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

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

Based on the assessment of the likelihood of occurrence and the consequence, all identified risks are presented visually using a color coding. This facilitates the comparison of the risks' relative priority and increases transparency over Marley Spoon's total risk exposure.

5.3 Areas of risk

A summary of Marley Spoon's principal risks, their assessment (likelihood/impact), changes versus the prior year and mitigation strategies are detailed in the tables below. This reflects the risks identified by the Management Board for the year ended 31 December 2023. The risks, summary and associated strategies are not exhaustive and are reflective of efforts at a set point in time.

STRATEGY / BUSINESS MODEL

Principal Risk	*Assessment*	*Change*	*Mitigation*
Competitive market Marley Spoon faces competition from a different cross-section of industries, including online/offline grocery retailers and delivery service providers, alternative meal kit companies and potential new market entrants, either within the meal kit space or in adjacent categories.	/		Marley Spoon is constantly enhancing and innovating its product and improving the customer experience. No launch of new global competitors was observed during the reporting period.
Low Consumer Confidence The outlook for the economy in Marley Spoon's two largest markets, the US and Australia has improved, with consumers returning to spending and feeling more optimistic about the economy. However, Europe remains muted in terms of consumer confidence with budget concerns remaining, in part connected to the geopolitical conflicts occurring (see below).	/		Marley Spoon operates a multi-brand portfolio which includes Dinnerly, a more value-oriented meal kit alternative. The Company also launched "Super Saver" recipe options in 2023 to appeal to a more price sensitive consumer and to counter a reduction in order frequency. Flexible pricing enabled by Marley Spoon's digital technology also gives the business levers to alter prices as needed.
Geopolitical Conflicts While the Company does not have operations in Ukraine or in Eastern Europe or the Middle East, the ongoing conflicts could continue to put pressure on fuel prices and/or raw material costs.	/		Marley Spoon contended with significant inflation in fuel and raw material costs throughout 2023 and was able to offset a good portion of it through price increases and greater agility in its procurement efforts. See ""Low Consumer Confidence" risk for additional mitigating actions.
Customer acquisition and retention Marley Spoon's growth depends on the acquisition of new customers and the retention of existing customers. Acquiring new customers requires access to marketing channels at commercially attractive rates, which can be challenging at times, depending on the amount of competitive marketing activity and media cost inflation.	/		The media environment for acquisitions is more fragmented now but Marley Spoon can respond by leveraging its marketing technology expertise, scalable team, and automation opportunities, along with diversifying into emerging channels and more offline media. In addition,

Retaining customers depends on high quality fulfillment rates of Marley Spoon's manufacturing centers and logistics partners to ensure the satisfactory delivery of their orders. Also, Marley Spoon's customer communications service must perform well, ensuring that customer complaints are dealt with in a timely and sustainable manner.			evolving pricing strategies will help counter promotional pressure in the category. Marley Spoon is constantly working to improve its production capabilities and service levels. The hiring of a new Chief Operating Officer at the end of 2023 underscores Marley Spoon's focus on quality and operational excellence. Additionally, Marley Spoon responds to customer requests and complaints through multiple channels: by email, chat, through telephone hotlines and social media and now, through a recently launched web-based automated complaint management tool.

OPERATIONS

Principal Risk	*Assessment*	*Change*	*Mitigation*
Input cost risk Increases in the market prices of key ingredients or packaging used by Marley Spoon may not be easily able to be offset and can negatively affect results of operations.	/		A detailed menu design and planning process with food cost targets, ongoing negotiations with suppliers and, if necessary, pricing actions help mitigate this risk. In the US in particular, this risk may be further mitigated by the purchasing scale of Marley Spoon's fulfillment partner, FreshRealm.
Third party sourcing / product perishability Perishable products (proteins, vegetables, etc.) account for a significant proportion of Marley Spoon's meal kits' ingredients. While constantly working to enhance its direct relationship with producers, Marley Spoon still depends on wholesalers to deliver these products on a just-in-time basis. Failure to accurately anticipate the time it will take to obtain new products or to calculate the quantities of products needed for food boxes may result in order levels not being appropriate and could affect the freshness of ingredients.	/		Carefully planned ordering processes are in place. Suppliers are subject to a standardized, comprehensive onboarding process and ongoing assessment by the internal Quality & Safety team. Ingredients are quality inspected upon receipt and are kept within continuous temperature controls.
Talent shortage and/or retention challenges Attracting and retaining strong talent is essential to Marley Spoon's ability to deliver on its strategy and growth plans. Difficulties accessing a qualified labor pool or retaining high-performing talent could put at risk the successful realization of the Company's objectives.	/		Marley Spoon regularly reviews its talent acquisition approach, including exploring talent pools in other locations. The Company is in the process of revamping its equity program and standardizing its approach to regular compensation reviews. Addressing high workloads through better planning and resource management and regularly identifying top talent to retain are ongoing efforts designed to mitigate the talent risk.
Key personnel, operational excellence Marley Spoon continues to depend on the strong commitment of its founder and CEO Fabian Siegel. The same is true of its CFO, Jennifer Bernstein, its COO, Daniel Raab, and the other members of the executive leadership team. The unanticipated departure or loss of any of them could have an adverse effect on Marley Spoon's business, financial condition, and results of operations. The same is true for any unexpected decline in their professional performance.	/		Marley Spoon has set up recruiting and onboarding processes and tools to efficiently evaluate and manage candidates and employees, including a new quarterly performance assessment process to help identify performance risks/assets on time. Furthermore, Marley Spoon has introduced salary/benefit schemes to adequately reflect and compensate the team for their personal contributions. Succession planning is also a key focus area for Marley Spoon.
Dependence on technology Marley Spoon sells its products exclusively through online channels (website, mobile apps) and also relies on its technology and data to forecast demand and predict its customers' orders. This technology is key to determining required amounts of ingredients and other supplies as well as to optimizing logistics. If this technology fails (e.g., because of a cybersecurity breach or quality failure) or produces inaccurate results, Marley Spoon could experience lost sales or shortages in key ingredients or increased food waste, for instance. Cybercriminals may take Marley Spoon's systems hostage or seek to get access to the personal data of its customers.	/		Marley Spoon is investing substantially into modular (semi) automation of its production processes and its digital platforms and has a phased roll out of various technologies and enhancements and employs technical advisers as appropriate. Digital investments have been a priority for the organization to enhance quality, flexibility and data security. Backup functionalities at state-of-the-art service providers are in place. In addition, a selection of IT tools has been centralized in order to better control approval of licenses to avoid internal breaches.

Severe weather events Acute weather incidents like droughts and floodings have been an increasing concern as weather patterns evolve due to climate change. This was particularly observable during the last couple of years, with snowstorms in the US and floods in Australia. The opposite can also occur, with chronic water shortages and droughts impacting certain other geographies. This can impact supply chains, the quality or availability of raw ingredients and prices for ingredients.	/	↔	Marley Spoon's source-to-order model enables flexible supplier changes. The ability to diversify Marley Spoon's supplier base is key to managing through weather crises, as are contingency plans upon which Marley Spoon can rely and hone over time. Marley Spoon can also shift production to other fulfillment centers, as required in Australia or in the US via FreshRealm's fulfillment center footprint.
Reliance on single logistics operator in Australia Risk of service failure in the event Marley Spoon's logistics provider in Australia would suffer operational or financial issues.	/	Newly added	Marley Spoon conducts ongoing strict supervision of operational performance and diligent relationship management at all levels, enabled by being co-located in the same fulfillment space. In addition, Marley Spoon's contract with the logistics provider has protective clauses in the event of significant business decline
Transition and integration of recently announced transactions (BistroMD and FreshRealm) In February 2024 two transactions impacting its US business closed: the acquisition of BistroMD (a share purchase agreement by Marley Spoon Group but managed commercially by the Company's US entity), a ready-to-eat business and the asset sale of the US entity's production and fulfillment assets to FreshRealm. Delays in integration or more complexity than foreseen at the outset could cause delays and potentially financial impacts.	/	Newly added	Marley Spoon has been implementing a comprehensive 120-day transition plan aimed at providing full support to FreshRealm for absorbing Marley Spoon's US operations. A transition services agreement is in place to ensure a smooth handover, while a dedicated integration project lead has been established to oversee the integration of BistroMD. Marley Spoon is also benefiting from its integration in the last two years of Chefgood, acquired in Australia.

REGULATORY AND LEGAL

Principal Risk	*Assessment*	*Change*	*Mitigation*
Food safety regulations Certain legal and other risks are inherent in the sale of food products for human consumption. Perishable and fresh products constitute a significant proportion of the ingredients in Marley Spoon's meal kits. It is possible that these perishable products may spoil or be rendered unsafe to consume if the team fails, for example, to put in place adequate temperature control mechanisms. There is also a risk of contamination of food products at any point throughout the supply chain.	/	↔	Marley Spoon's internal legal team as well as its Quality & Safety function constantly enhance compliance with the relevant legal and regulatory requirements through continual monitoring and reviews. Marley Spoon partners with logistics carriers offering chilled delivery whenever possible and utilizes insulated liners and ice packs in its meal kit boxes to maintain proper temperatures.

FINANCIAL* AND REPORTING

Principal Risk	*Assessment*	*Change*	*Mitigation*
Liquidity risk Liquidity risk is the risk that a Company entity will encounter difficulty in meeting obligations associated with financial liabilities.	/	↔	The February 2024 FreshRealm transaction and associated equity raise and debt paydown, which reduced interest expense, has enhanced Marley Spoon's liquidity. Cash balances and forecasts are monitored weekly. Should the Group's plans to improve cash flows from operations through its business performance not materialize, the Group would need to seek additional equity funding.
Financing risk The Company is capitalized through a combination of equity financing coming from public capital markets as well as debt, though currently has negative net assets. The Company can be directly affected by developments and risks inherent in such capital markets.	/	↔	The Company's share register includes several substantial holders who have a history with the Company and have been supportive of the Company through several fundraising rounds. Additionally Marley Spoon SE is on track to de-list from the ASX, as previously announced. A single listing in Frankfurt is believed to be more attractive to investors.

			Finally, the Company's primary debt facility has had the interest-only period and maturity extended by one year each (see note 6.6).
Foreign currency risk The fair value or future cash flows of an exposure may fluctuate because of changes in foreign exchange rates, to which Marley Spoon is exposed. Financial instruments, which are denominated in a currency other than the measured functional currency of the Company (i.e., the Euro), are subject to foreign currency risk. The Group operates in international markets through locally established subsidiaries which mainly complete their transactions in the respective local currency. As such, material depreciation of those foreign currencies could present a risk to Marley Spoon.	/		The Company's finance department ensures ongoing liquidity oversight and management, including managing funding per entity as locally as possible to avoid intercompany funding that is exposed to negative foreign exchange impacts. Foreign currency exposure is more translational than transactional, with most purchasing done locally at the Segment level.
Interest rate risk Future cash flows of financial instruments may fluctuate because of changes in market interest rates. The Company 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 Company has so far been servicing its debt within its operations, even as interest rates have risen. In connection with the July 2023 business combination agreement, the Company's rate on its largest facility has decreased from 8.5% over SOFR to 7.5% over SOFR. Additionally, the sizable pay down of debt in February 2024 will decrease interest expense further. In October 2023, the Company put in place an interest hedge for a two-year period. Also in February 2024, the interest-only period on the Company's Runway debt and the maturity of the loan were both extended by one year to January 2026 and June 2027, respectively.
Credit and fraud risk There may be risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk can arise as Marley Spoon offers various payment methods and other transactions with counterparties. Fraud risk exists to the extent that customers have insufficient funds or that customers themselves are subject to fraud (e.g., through identity theft conducted by third party imposters). Failure to avoid or limit losses caused by fraudulent transactions could negatively affect the Company's operations and result in increased legal expenses and fees.	/		The nature of the business limits exposure on trade receivables since customers principally pay before delivery. Marley Spoon has also recently partnered with a dedicated fraud detection/management company. In addition, Marley Spoon regularly reviews its portfolio of payment methods to improve security and effectiveness in this area.

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

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

The Company's ability to meet its financial obligations as they fall due and continue as a going concern largely depends on Marley Spoon SE's ability to maintain a positive cash balance. Management's forecast entails a positive cash balance for the next twelve months assuming contribution margin in line with the prior year and a reduction in G&A expenses as a percent of net revenue by up to five percentage points for FY 2024 as compared to FY 2023. 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 Marley Spoon's ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by margin expansion or additional cost reductions. Management expects Marley Spoon to be able to address these additional headwinds with the respective measures.

5.4 Opportunities

Online meal kits remain a sizable market opportunity. They satisfy consumers' desire for convenience, healthy food and weeknight cooking solutions but also remain under-penetrated, suggesting there continues to be attractive growth potential. Since 2020, Marley Spoon has seen a perceptible shift in the growth of online grocery shopping, a trend that favors the growth of online meal kits. However, even with this shift, the grocery category remains one of the last large consumer spending categories to have a meaningful online presence. Marley Spoon believes it can both contribute to and benefit from the change in consumer behavior toward online grocery, and therefore online meal kit, shopping. The recently announced transactions in the US should further enhance the Company's opportunities: BistroMD gives Marley Spoon further access to the growing ready-to-eat meal plan category, on top of its Chefgood acquisition in

Australia in early 2022 while the strategic partnership for manufacturing and fulfillment with FreshRealm is transforming the Company toward an asset-light model in support of scalability for future market consolidation.

Operating on three continents positions Marley Spoon well to service the total addressable market and to benefit from an accelerated channel switch. By offering innovative, personalized and healthy meal solutions, Marley Spoon solves customers' problems. Marley Spoon has both the capacity and innovation, driven by its investments in product development and technology, to meet customer needs. Finally, with its continued source-to-order model, which allows Marley Spoon to source based on order forecasts derived from observable consumer behavior close to the order date, the Company contributes to reducing food waste, another important customer attraction.

By meeting customer needs in an industry still poised for online expansion, Marley Spoon can grow its active subscriber base and therefore generate more insights to enable even more personalization and choice, thereby creating a flywheel that should ultimately lead to greater retention, sales and customer lifetime value.

6 Outlook

Marley Spoon remains encouraged by its long-term growth potential given the early stage of online shopping adoption in groceries and the overall size of the home-eating market opportunity. It sees 2024 as an important transition year after experiencing reduced consumer demand and revenue decline in 2023. Over the course of 2023 consumer demand stabilized but there continues to be an uncertain economic outlook across all regions impacting consumer sentiment driven by high interest rates and restrictive monetary policy. Navigating 2024 will require continued focus on lean operations and cost saving, while launching initiatives to reignite organic growth and at the same time pursuing market consolidation opportunities. As in the past, four guiding principles will underpin Marley Spoon's activities:

- Improve customer offer and service levels
- Continue to build strong company culture and purpose
- Delivering growth within current balance sheet capacity
- Maintain attractive margins and focus on cost discipline

These principles will help Marley Spoon as it seeks to resume growth year-on-year. The ambition to grow will be balanced by the goal to operate profitably on an Operating EBITDA level.

On the basis of the above, Marley Spoon has guided to the following financial performance for 2024:

- Single digit net revenue growth in constant currency as compared to FY 2023
- Contribution margin in line with FY 2023
- Full year mid-single digit positive Operating EBITDA

OTHER REPORTING ITEMS

2 Directors' Report

For the period 1 January 2023 to 31 December 2023

The executive Directors of the Management Board and the non-executive Directors of the Supervisory Board present their report together with the financial report of the Marley Spoon Group, which consists of Marley Spoon SE (Marley Spoon) and its subsidiaries, for the financial year ended 31 December 2023, and the auditor's report. The above Group Management Report and the Remuneration Report of Marley Spoon Group are incorporated by reference.

2.1. Directors' roles and profiles

The Management Board manages the Company. The Management Board is under the supervision of the Supervisory Board. Endowed with the broadest powers, the Management Board is empowered to act in the name of the Company and to take any action necessary or useful to fulfill the Company's corporate purpose, except the powers reserved to the Supervisory Board or the general meeting of shareholders of the Company by any laws or regulations or by the Articles of Association.

2.2. Supervisory Board (non-executive Directors)

CHRISTIAN GISY

Christian Gisy was appointed to the Supervisory Board of the Company on 30 June 2023 as Chairman. Mr. Gisy has held several C-level positions in digital and media companies such as AUTODOC, where he served as CEO from February 2021 to September 2022, Scout24 and CinemaxX, with a proven track record in private, public and private equity backed organizations. Mr. Gisy currently serves as NED and Chairman for the AtHome Group in Luxemburg, a leading classifieds business, deputy Chairman for ADVYCE in Germany, a fast-growing strategy consulting business and was recently appointed (October 2023) as NED and ARC Chairman for Takko Fashion GmbH. Mr. Gisy is also Chairman of Marley Spoon SE, the Company's subsidiary, since September 2023.

Yehuda Shmidman

Yehuda Shmidman is Co-Founder, Chairman & CEO of WHP Global, a leading brand management firm founded together with Oaktree Capital, which is also now backed by Ares and BlackRock. WHP Global's brand portfolio generates over USD $7 billion in annual retail sales, and includes JOE'S JEANS, ANNE KLEIN, JOSEPH ABBOUD, EXPRESS, BONOBOS, G-STAR RAW, LOTTO, TOYS"R"US and BABIES"R"US. Mr. Shmidman is a veteran of the brand management industry, having successfully deployed more than USD $3 billion of capital over nearly two decades into acquiring, growing and monetizing global consumer brands. His experience expanded during his career to multiple consumer segments including fashion, hardgoods, toys, home, wellness, media, celebrity, sports and electronics, with direct leadership over dozens of world-famous brands including TOYS"R"US, MARTHA STEWART and PEANUTS. Mr. Shmidman was appointed to the Supervisory Board of Marley Spoon Group SE on 30 June 2023.

Alexander Kudlich

Alexander Kudlich has over 15 years of experience in technology investing. He is General Partner and Co-founder of 468 Capital. Previously, he was a member of the management board at Rocket Internet SE and held various managerial positions in the Axel Springer Group. Mr. Kudlich sits on other boards such as Tonies SE and Burda Media, as well as on the Supervisory Board of Marley Spoon Group SE, the Company's parent company. He was appointed to the Supervisory Board of Marley Spoon Group SE on 30 June 2023. He also sits on Marley Spoon SE's Supervisory Board since 11 September 2023.

2.3. Management Board (executive Directors)

Names and profiles of the people who served on the Management Board during fiscal year 2023:

FABIAN SIEGEL

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

JENNIFER BERNSTEIN

Jennifer Bernstein was appointed to the Management Board on 30 June 2023 (since October 2020 on Marley Spoon SE's Management Board) and serves as the Company's Chief Financial Officer (CFO). Jennifer's responsibilities as CFO include accounting, controllership, FP&A, reporting, treasury, and legal. Previously, Jennifer spent nearly 13 years at PepsiCo where she held diverse finance and strategy leadership roles with increasing levels of responsibility. She has deep international consumer packaged goods experience, having worked in both the US and in Europe. Prior to joining PepsiCo, Jennifer co-founded Investics, a consultancy which quantified marketing effectiveness/ROI for data-rich clients. She began her career in public relations in New York.

DANIEL RAAB

Daniel Raab was appointed as a member of the Management Board in October 2023 and serves as the Company's Chief Operating Officer. Daniel has 24 years of experience in e-commerce, retail and distribution including B2C and D2C business models across different industries, both in Europe as well as in the United States. Amongst other companies, he worked at Amazon for 7 years and led two private equity backed e-commerce companies to success – including a successful IPO.

2.4. Operating & financial summary

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

2.5. Significant changes in the state of affairs

Please see details of the changes in the entity's state of affairs in 2023 in section 2.3 of the Management Report.

2.6. Principal activities

Marley Spoon is a subscription-based weekly meal kit provider that services customers in three primary regions: the United States, Australia and Europe (servicing Austria, Belgium, Germany and the Netherlands). The company exited the Swedish market in March 2023 and the Danish market in November. A meal kit is a box, usually sent directly to a customer's home, which includes the required quantity of ingredients to cook, typically two or more meals, along with step-by-step recipe instructions.

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

2.7. Events after the balance sheet date

Please see details in note 19 of the financial statements.

2.8. Environmental issues

The Company places high importance on fostering a compliance culture, supported by systems and processes in order to be compliant with all relevant national and local laws as well as regulations in relation to environmental performance, management and reporting. In 2023, there were no reportable incidents recorded.

2.9. Dividends

Marley Spoon did not pay dividends in 2023.

2.10. Share options

Marley Spoon SE has a share option plan for employees and members of the Management Board. Please see note 8.2 to the Consolidated Financial Statements for details. Marley Spoon Group is in the process of re-designing the long-term incentive program.

2.11. Indemnifying officer

During the financial year 2023, Marley Spoon has paid insurance premiums in respect of directors' and officers' liability insurance contracts (D&O). The D&O insures each person who is or has been a director or officer of the Company or its subsidiaries against certain liabilities arising in the course of their duties to the Company and its subsidiaries.

2.12. Proceedings on behalf of the Company

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

3 Corporate Governance Statement

The Company's 2023 Corporate Governance Statement will be published independently of the Annual Report.

Luxembourg, 30 April 2024

CG (30. April 2024 23:34 GMT+2)

For the Supervisory Board: Christian Gisy

Fabian Siegel

Fabian Siegel (30. April 2024 23:36 GMT+2)

For the Management Board: Fabian Siegel

GROUP CONSOLIDATED FINANCIAL STATEMENTS

1 Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR in thousands	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant, and equipment	7.1	21,695	25,152
Right-of-use assets	7.2	32,744	22,206
Lease receivables	7.2	246	420
Intangible assets	7.3	17,919	16,385
Goodwill	16	8,653	9,016
Non-current financial assets	6.3	2,663	2,510
Total non-current assets		**83,920**	**75,689**
Current assets			
Inventories	7.5	9,289	13,124
Trade receivables and other assets	6.4	1,546	774
Other current financial assets	7.7	3,615	3,233
Cash and cash equivalents	6.5	12,749	19,033
Total current assets		**27,199**	**36,164**
Total assets		**111,119**	**111,853**
LIABILITIES AND EQUITY			
Non-current liabilities			
Lease liabilities	7.2	25,238	16,967
Interest bearing loans and borrowings	6.6	67,332	70,771
Provisions	7.1	1,800	2,259
Deferred tax liabilities	7.4	1,824	1,781
Class A warrants at fair value	6.1	512	-
Total non-current liabilities		**96,706**	**91,778**
Current liabilities			
Trade and other payables	6.7	25,950	26,405
Contract liabilities	7.8	1,397	1,876
Interest bearing loans and borrowings	6.6	4,485	7,831
Lease liabilities	7.2	10,093	8,703
Other financial liabilities	6.8	12,212	14,801
Other non-financial liabilities	7.8	4,110	3,566
Total current liabilities		**58,247**	**63,182**
Equity			
Share capital	8.1	547	39,336
Capital reserve	8.1	559,046	226,462
Treasury shares	8.1	(200,125)	-
Other reserves	8.2	6,082	8,516
Currency translation reserve	8.3	(1,074)	(3,425)
Accumulated net losses		(399,672)	(312,422)
Equity attributable to equity holders of the parent		**(35,196)**	**(41,533)**
Non-controlling interests		(8,638)	(1,574)
Total equity		**(43,834)**	**(43,107)**
Total liabilities and equity		**111,119**	**111,853**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in thousands	Note	2023	2022
Revenue	3	328,504	401,242
Cost of goods sold	4.1	(174,120)	(216,835)
Gross profit		**154,384**	**184,407**
Fulfilment expenses	4.1	(50,634)	(69,075)
Marketing expenses	4.1	(55,578)	(64,018)
General & administrative expenses	4.1	(138,032)	(78,962)
Earnings/(loss) before interest & taxes (EBIT)		**(89,860)**	**(27,648)**
Financing income	4.2	10,901	69
Financing expenses	4.2	(14,774)	(12,284)
Derivative instruments	4.2	-	(7)
Earnings/(loss) before taxes (EBT)		**(93,733)**	**(39,869)**
Income tax expense	5	(226)	(144)
Loss for the year		**(93,959)**	**(40,013)**
Net loss for the year attributed to:			
Equity holders of the parent		(87,250)	(39,730)
Non-controlling interest		(6,709)	(283)
Other comprehensive income / (loss) for the year **Items that may be subsequently reclassified to profit or loss**	8.3	**2,351**	**(1,788)**
Foreign exchange effects		2,351	(1,788)
Total comprehensive loss for the year		**(91,608)**	**(41,801)**
Total comprehensive loss attributable to:			
Equity holders of the parent		(84,899)	(41,518)
Non-controlling interests		(6,709)	(283)
Basic earnings per share (whole EUR)	14	(4.29)	(1.33)
Diluted earnings per share (whole EUR)	14	(4.29)	(1.32)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2023

EUR in thousands	Attributable to Owners of the Parent									
	Note	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Transla-tion Reserve	Total	Attribut-able NCI	Equity
Balance as at 1 January 2023		**39,336**	**-**	**226,462**	**8,516**	**(312,422)**	**(3,425)**	**(41,533)**	**(1,574)**	**(43,107)**
Net loss for the year		-	-	-	-	(87,250)		**(87,250)**	(6,709)	(93,959)
Other comprehensive income		-	-	-	-	-	2,351	**2,351**	-	2,351
Total comprehensive income /(loss)		**-**	**-**	**-**	**-**	**(87,250)**	**2,351**	**(84,899)**	**(6,709)**	**(91,608)**
Issuance of share capital	8.1	34,223	-	1,369	-	-	-	35,592	-	35,592
Conversion of free capital	8.1	-	-	-	-	-	-	**-**		-
Receipt of shares for employee option exercise	8.1	-	-	-	-	-	-	**-**	-	-
Shares transferred to employees	8.1	-	-	-	-	-	-	**-**	-	-
Cash on exercise of options	8.1	-	-	(73)	-			(73)	-	(73)
Employee share-based payment expense	8.2	-	-	-	1,589	-	-	1,589	-	1,589
Transaction costs for issuance of shares	8.1	-	-	(1,270)	-	-	-	(1,270)	-	(1,270)
Capital reorganisation adjustments	8.1	(73,012)	(200,125)	332,822	(4,023)	-	-	55,662	(355)	55,307
Small Holding Offer	8.1	-	-	(264)	-	-	-	(264)	-	(264)
Balance as at 31 December 2023		**547**	**(200,125)**	**559,046**	**6,082**	**(399,672)**	**(1,074)**	**(35,196)**	**(8,638)**	**(43,834)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2022

EUR in thousands	Attributable to Owners of the Parent									
	Note	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Accumulated Net Earnings / (Losses)	Currency Transla-tion Reserve	Total	Attribut-able 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 loss for the year		-	-	-	-	(39,730)	=	(39,730)	(283)	(40,013)
Other comprehensive income(loss)		-	-	-	-	-	(1,788)	(1,788)	-	(1,788)
Total comprehensive income (loss)		**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 CASH FLOWS

EUR in thousands	Note	2023	2022
Operating activities			
Net loss for the period		**(93,959)**	**(40,013)**
Adjustments for:			
Fair valuation of Class A warrants		(9,498)	-
IFRS 2 adjustment on capital reorganization		60,403	-
Depreciation of property, plant, and equipment	7.1	4,193	4,326
Loss on disposals of property, plant and equipment	7.1	39	481
Bad debt expense		1,180	564
Depreciation of right-of-use assets	7.2	6,777	6,239
Amortization of intangible assets	7.3	5,990	5,541
Increase in share-based payments	8.2	1,589	1,009
Financing income and expense	4.2	12,395	11,868
Tax expense (non-cash)	5	597	(5)
Other non-cash movements		1,769	(2,120)
Working capital adjustments:			
Decrease (increase) in inventory	7.5	3,836	(3,741)
Increase in accounts payable and accrued expenses	6.8/6.9	(6,708)	(1,353)
Increase in other provision		122	-
Increase receivables	6.5	(1,163)	(953)
Decrease in other assets and liabilities	6.4/7.7/7.8	(202)	(569)
Net cash flows used in operating activities		**(13,184)**	**(18,726)**
Investing activities			
Purchase of property, plant, and equipment	7.1	(2,233)	(3,700)
Purchase/development of intangible assets	7.3	(7,551)	(7,009)
Acquisition of Chefgood, net of cash acquired	16	(2,502)	(7,783)
Cash acquired from capital reorganization	8.1	16,840	-
Net cash flows from/(used in) investing activities		**4,554**	**(18,492)**
Financing activities			
Proceeds from the issuance of share capital	8.1	35,000	15,869
Proceeds from employee option exercise	8.1	(73)	(10)
Transaction costs from the issuance of share capital	8.1	(229)	(613)
Proceeds from borrowings	6.6	10,376	26,532
Transaction cost of borrowings	6.6	(582)	(199)
Payments on redemption of Class B warrants	8.1	(411)	-
Settlement of Small Holding Offer	8.1	(264)	-
Payment of class A shares redemption	8.1	(7,000)	-
Interest paid	6.6	(5,200)	(7,542)
Repayment of borrowings	6.6	(20,242)	(7,763)
Lease payments	7.2	(8,875)	(8,686)
Proceeds (payments) derivative transaction		(154)	-
Net cash flows from financing activities		**2,346**	**17,588**
Net decrease in cash and cash equivalents		(6,284)	(19,629)
Net foreign exchange difference		-	3
Cash and cash equivalents as at 1 January		**19,033**	**38,659**
Cash and cash equivalents as at 31 December		**12,749**	**19,033**

2 Description of the business & segment information

Marley Spoon Group SE (formerly 468 SPAC II SE and hereinafter the "Company" or "Parent" and the "Group" if taken together with its subsidiaries) 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 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. Effective 11 July 2023, the Class A shares of the Company are trading on the Frankfurt Stock Exchange under the new trading symbol "MS1". Likewise, the Company's Class A warrants are also traded on the open market of the Frankfurt Stock Exchange under the symbol "SPVW". The Company also has 4,987,500 Class B shares and 4,720,000 Class B warrants issued and outstanding as at 31 December 2023 that are not listed on a stock exchange.

On 13 July 2023, the name of the Company was changed from 468 SPAC II SE to Marley Spoon Group SE. The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company has been originally 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").

On 25 April 2023, the Company signed a Business Combination Agreement with Marley Spoon SE ("Marley Spoon"). On 6 July 2023, the Company completed its business combination with Marley Spoon following the extraordinary general meeting of shareholders.

Upon closing of the Business Combination on 6 July 2023, the former SPAC's purpose ceased to apply. The Company's purpose shall now be the creation, holding, development and realisation of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of 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.

These consolidated financial statements were authorized for issue in accordance with a resolution of the Management Board on 30 April 2024.

The Group's principal business activity is to solve everyday 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.

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, and Europe (EU), which is comprised of four countries (Austria, Belgium, Germany and the Netherlands). The Company exited the Swedish and Danish markets in March and November 2023, respectively. The Group's global headquarters is 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 as part of the Company's headquarter costs.

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 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.

Segment reporting

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

Operating EBITDA, a measure of segment performance, excludes the effects of special items such as equity-settled share-based payments, as well as significant items of income and expenditure that are the result of an isolated, non-recurring event, such as costs incurred in association with a merger or acquisition or severance payments.

				2023			
EUR in thousands	**USA**	**Australia**	**Europe**	**Total**	**Holdings**	**Conso**	**Group**
Total revenue	158,789	136,025	33,691	328,504	36,151	(36,151)	328,504
Internal revenue	-	-	-	-	(36,151)	36,151	-
External revenue	158,789	136,025	33,691	328,504	-	-	328,504
Contribution margin [1]	53,891	41,797	8,063	103,751	36,151	(36,151)	103,751
Operating EBITDA	**11,696**	**7,933**	**(22,640)**	**(3,011)**	**-**	**(612)**	**(3,623)**
Internal charges & royalties[2]	(11,417)	(9,028)	(9,828)	(30,273)	-	30,273	-
Special items[3]	(1,219)	(197)	(6,789)	(8,205)	-	(61,064)	(69,269)
Depreciation and amortization	(6,234)	(4,209)	(6,525)	(16,968)	-	-	(16,968)
EBIT	**(7,173)**	**(5,501)**	**(45,782)**	**(58,457)**	**-**	**(31,403)**	**(89,860)**
Intercompany interest	(5,107)	(2,805)	(2,826)	(10,737)	-	10,737	-
Interest on lease liabilities	(1,684)	(977)	(341)	(3,002)	-	-	(3,002)
External financing costs	(9,886)	749	(1,279)	(10,415)	-	47	(10,369)
Fair value changes derivative financial instruments	-	-		-	-	9,498	9,498
Earnings before tax	**(23,849)**	**(8,534)**	**(50,228)**	**(82,612)**	**-**	**(11,121)**	**(93,733)**

EUR in thousands	USA	Australia	Europe	2022 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[2]	(11,823)	(8,632)	(1,407)	(21,863)	-	21,863	-
Special items[3]	(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**	**(27,648)**
Intercompany interest	(3,051)	(2,315)	(2,313)	(7,679)	-	7,679	-
Interest on lease liabilities	(1,946)	(708)	(401)	(3,055)	-	-	(3,055)
External financing costs	(6,794)	(172)	(2,193)	(9,159)	-	-	(9,159)
Fair value changes Derivative financial instruments	-	(7)		(7)	-		(7)
Earnings before tax	**(20,378)**	**(6,434)**	**(42,600)**	**(69,411)**	**-**	**29,542**	**(39,869)**

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

2 The Group has intercompany financing transactions between Marley Spoon SE and its subsidiaries for the interest on loans, royalty recharges, recharges for staff and other services. These charges are based on independent benchmark studies and considered to be at arm's length. Transactions between Marley Spoon SE and Marley Spoon Group SE (the legal parent) relate to expenses relating to the business combination and a downstream loan.

3 Special items consist of the following: IFRS 2 adjustment (listing fee) from the capital reorganization of EUR 60.4 million, costs related to the business combination with Marley Spoon incurred post business combination of EUR 747 thousand, employee stock option program costs of EUR 1,589 thousand including exercise expenses (2022: EUR 1,009 thousand), expenses incurred in connection with M&A transactions in the amount of EUR nil thousand (2022: EUR 890 thousand), severance expense of EUR 2,110 thousand (2022: EUR 761 thousand), restructuring expense of EUR 3,902 thousand (2022: nil) as well as sales tax charges in the US of EUR 602 thousand (2022: EUR 1,838 thousand).

The 2023 revenues generated within Germany amounted to EUR 15,348 thousand (2022: EUR 22,026 thousand). Revenues from 2023 for all other countries amounted to EUR 313,156 thousand (2022: EUR 379,216 thousand). The Group recognizes its segments based on geographical region. The United States of America and Australia (inclusive of operations of Marley Spoon, Dinnerly and Chefgood brands) represent the largest markets and are separately segmented. Revenues in the Netherlands, Germany, Belgium, Austria, Sweden (until exit in March 2023) and Denmark (until exit in November 2023) are segmented as Europe.

3 Revenue

Marley Spoon provides meal kit solutions on a weekly basis to customers across six 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 or ready-to-heat meals 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 notes 2 and 18.17).

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

	2023			
EUR in thousands	**Cost of Goods Sold**	**Fulfilment Expense**	**Marketing Expense**	**General & Administrative**
Raw materials and direct fulfillment costs	136,942	50,634	-	-
Other operating expense			51,867	28,112
Depreciation and amortization	9,078	-	-	7,890
Employee benefits expenses				
Wages and salaries	26,240	-	3,305	35,663
Social security costs	700	-	292	3,149
Defined contribution plan expenses	1,160	-	114	1,226
Share-based payment expense	-	-	-	61,992
Total	**174,120**	**50,634**	**55,578**	**138,032**

	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**

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	**2023**	**2022**
Interest earned on bank balances	109	69
Gain on changes in fair value of contingent consideration	1,294	-
Change in fair value of Class A warrants	9,498	-
Financing income	**10,901**	**69**

EUR in thousands	2023	2022
Bank fees & other expenses	(260)	(225)
Nominal interest expense on borrowings	(11,490)	(8,823)
Interest on lease liabilities	(3,002)	(3,054)
Currency translation losses	(22)	(182)
Financing expense	**(14,774)**	**(12,284)**

EUR in thousands	2023	2022
Derivative financial instrument changes in fair value	-	(7)
Derivative instruments	**-**	**(7)**

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	2023	2022
Current income tax for current year	(96)	(144)
Current income tax for previous years	(73)	-
Deferred tax	(56)	-
Total income tax expense reported in the statement of profit and loss	**(226)**	**(144)**

EUR in thousands	2023	2022
EBT	(93,733)	(39,871)
Tax calculation at weighted average tax rate of 24.8% (2022: 24.4%)	(23,211)	(9,725)
Tax impact of non-deductible expenses:		
Share-based payments	15,304	282
Interest	3,801	8
Royalties	2,435	67
Others	34	-
Non-taxable income	(2,352)	-
Taxes for prior years	76	(32)
Utilization of previously unrecognized tax losses	(975)	-
Unrecognized tax losses for the year	6,603	9,544
Effect of business combination adjustments	(1,529)	-
Tax rate differentials	71	-
Other	(9)	-
Income tax benefit (+) or expense (-) for the year	**226**	**(144)**
Effective tax rate	**-0.2%**	**-0.4%**

The weighted average applicable tax rate for the year ended 31 December 2023 was 24.8% (2022: 24.4%) which was derived from the tax rate in each jurisdiction weighted by the relevant pre-tax loss or pre-tax profit.

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 2023	31 December 2022
Financial assets measured at amortized cost			
Non-current financial assets	6.3	2,663	2,510
Other current financial assets	7.7	3,615	3,233
Trade receivables and other assets	6.4	639	774
Total		**6,917**	**6,517**

Financial liabilities (EUR in thousands)	Notes	31 December 2023	31 December 2022
Financial liabilities measured at amortized cost			
Interest bearing loans and borrowings (current & non-current)	6.6	71,817	78,602
Trade and other payables	6.7	25,106	26,405
Other financial liabilities	6.8	12,212	14,801
Total		**109,135**	**119,808**
Financial liabilities measured at fair value through profit or loss			
Class A warrants		512	-
Total		**512**	**-**

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 2023	31 December 2022
Financial assets measured at amortized cost	109	69
Financial liabilities measured at amortized cost	(14,774)	(12,284)
Financial liabilities measured at fair value through profit and loss	10,792	(7)
Total	**(3,873)**	**(12,222)**

Financial liabilities measured at fair value through profit and loss are related to the recognition of Class A shares in connection with the business combination completion and changes in fair value of contingent consideration.

<u>Class A warrants:</u>
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 thousand. 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 thousand (EUR 0.69 per warrant) using Monte Carlo valuation model (level 3), resulting in the recognition of a day 1 loss of EUR 4,760 thousand.

As at 31 December 2023, the fair value of Class A warrants was estimated to be EUR 512 thousand (EUR 0.0732 per warrant) using a combination of Monte Carlo and Binomial Tree valuation models (level 3), resulting in the recognition of a net fair value gain of EUR 4,318 thousand for the period from the issue date to the closing date and a net fair value gain of EUR 9,498 thousand for the financial period from the business combination date to 31 December 2023. 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 and 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 items 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.

6.2 Fair value of financial instruments

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

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

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

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

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

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

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 consolidated financial statements.

EUR in thousands	Note		31 December 2023		31 December 2022	
Financial assets		**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Other financial assets (current & non-current)	6.3	n/a	6,278	6,278	2,510	2,510
Trade and other receivables	6.4	n/a	639	639	774	774
Cash and cash equivalents	6.5	n/a	12,749	12,749	19,033	19,033
Total			**19,666**	**19,666**	**22,317**	**22,317**
Financial liabilities		**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Interest bearing loans and borrowings (current & non-current)	6.6	n/a	71,817	71,817	78,602	78,602
Trade and other payables	6.7	n/a	25,106	25,106	26,405	26,405
Contingent liability	16	3	336	336	4,449	4,449
Class A warrants	6.1	3	512	512	-	-
Other financial liabilities	6.8	n/a	12,212	12,212	14,801	14,801
Total			**109,983**	**109,983**	**124,257**	**124,257**

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 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 2023 are shown below.

	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 94 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 47 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 6 thousand.

6.3 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 153 thousand in the current year.

EUR in thousands	31 December 2023	31 December 2022
Other non-current financial assets	2,663	2,510

6.4 Trade receivables and other assets

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.

EUR in thousands	31 December 2023	31 December 2022
Trade receivables	639	774
Other assets	906	-
Total	**1,545**	**774**

The Group has EUR 51 thousand (2022: 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.

The other receivables are mainly related to VAT receivables.

6.5 Cash and cash equivalents

Cash and cash equivalents are comprised as follows:

EUR in thousands	31 December 2023	31 December 2022
Cash at banks	12,749	19,033

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

6.6 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 2023**	Proceeds from borrowings	Repayments of borrowings	Capitalised interest	Interest paid	Accrued interest and fees	Transaction costs (net)	Exchange rate differences	**Closing Balance 31 December 2023**
BVB	5,004	7,500	(10,000)		(440)	469	-		**2,533**
AU asset financing	3,551	2,684	(1,395)		(208)	208	-	210	**5,052**
Loan 4	21		(21)		1	(1)	-		**-**
Insurance financing	279	192	(351)		´-	-	-	(4)	**115**
Runway	68,882		(8,071)	5,610*	(4,507)	4,487	(121)	(2,594)	**63,686**
CG equipment loan	865		(403)		(46)	46	-	(30)	**432**
Total	**78,602**	**10,376**	**(20,241)**	**5,610**	**(5,200)**	**5,209**	**(121)**	**(2,419)**	**71,817**

*Deferral of interest payments from April-September 2023 in connection with the business combination agreement.

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	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

Cash paid for interest expense in 2023 was EUR 5,200 thousand (2022: EUR 7,542 thousand). The Group's total borrowing of EUR 71,817 thousand (2022: EUR 78,602 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 was 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 carried an interest rate of 6.5% + EURIBOR per annum, was drawn down for 90 days and renewed in 90-day increments until repayment.

During Q1 2023, the Company repaid its EUR 5,000 thousand loan facility and secured a new EUR 5,000 thousand money market loan from BVB, carrying an interest rate of 6.5% + EURIBOR per annum. In August 2023 BVB extended this loan by two months to October 2023 in order to re-negotiate the latest loan from BVB, after which time the EUR 5,000 thousand loan was repaid and replaced with a new loan in November 2023 in the amount of EUR 2,500 thousand. The new money market loan carries an interest rate of 7.53% + 3-month EURIBOR per annum. The maturity date is 30 May 2024 and may be extended upon agreement.

Australia asset financing:

Marley Spoon Pty Ltd., the Australian operating entity of the Group, entered into an asset financing agreement (AFA) with National Australia Bank (NAB). The total amount borrowed was for up to EUR 9.4 million (AUD 15.7 million), sourced through seven distinct loans. Marley Spoon Pty Ltd has already settled three loans, amounting to EUR 2.7 million (AUD 4.3 million), and partially settled EUR 2.0 million (AUD 3.2 million) of the existing outstanding loan. As of 31 December 2023, the remaining balance stands at EUR 5.1 million (AUD 8.2 million)*. The breakdown of these loans is detailed below:

- On 1 March 2021, Marley Spoon Pty Ltd entered into an agreement for EUR 584 thousand (AUD 900 thousand) at an interest rate of 3.79% over a 60-month period. As at December 2023, the outstanding loan balance was EUR 272 thousand (AUD 441 thousand);
- On 28 September 2021, Marley Spoon Pty Ltd initiated an asset finance loan agreement for EUR 3,728 thousand (AUD 6,000 thousand) with an interest rate of 3.50% for 60 months. As at 31 December 2023, the outstanding loan balance was EUR 2,173 thousand (AUD 3,528 thousand);
- On 9 March 2023, Marley Spoon Pty Ltd entered into another asset finance loan agreement for EUR 216 thousand (AUD 347 thousand) at an interest rate of 7.51% for a 60-month term. As at 31 December 2023, the outstanding balance was EUR 187 thousand (AUD 303 thousand);
- On 29 August 2023, Marley Spoon Pty Ltd secured a new asset financing loan for its Perth fulfillment center for EUR 2,510 thousand (AUD 4,101 thousand) with an interest rate of 7.64% over 60 months. As at 31 December 2023, the outstanding balance was EUR 2,421 thousand (AUD 3,931 thousand).

*Sum of Euro values includes EUR 400 thousand of foreign currency impact.

Chefgood equipment loan

Effective 19 December 2022, Chefgood Pty Ltd., a wholly owned subsidiary of the Group, entered into an equipment loan agreement with NAB in the aggregate amount of EUR 865 thousand (AUD 1,357 thousand) at an interest rate of 7.02% per annum. Funds borrowed under this facility were used to finance certain production equipment which is pledged to NAB as security. This facility has a 24-month term. The outstanding balance as of 31 December 2023 is EUR 432 thousand (AUD 702 thousand).

Insurance financing

The Company has obtained insurance premium financing as follows:

- In September 2023, Group financing of EUR 785 thousand (AUD 1,283 thousand) at an interest rate of 2.85% per annum, with repayments through Q1 2024; MMM Consumer Brands Inc. also secured insurance premium financing for EUR 181 thousand (USD 192 thousand) at an interest rate of 9.25% per annum, with repayments through Q1 2024;
- In October 2023, MMM Consumer Brands Inc. secured insurance premium financing for EUR 41 thousand (USD 44 thousand) at an interest rate of 9.25% per annum, with repayments through Q2 2024;
- In November 2023, Group financing for EUR 441 thousand (AUD 729 thousand) at an interest rate of 4.99% per annum, with repayments through Q2 2024.

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 gave Marley Spoon access of up to EUR 54,700 thousand (USD 65,000 thousand) to support the Company's growth strategy. Funds were available 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 of 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, 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 EUR 38,100 thousand (USD 45,000 thousand) 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% (the benchmark rate was amended from three-month LIBOR to three-month SOFR effective 12 December 2022). 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.

Several amendments to the Loan and Security Agreement have since been entered into:

- First Amendment: executed on 27 September 2021 in order to add the Company's Dutch entity, Marley Spoon B.V. as a guarantor to the Loan & Security Agreement (LSA);
- Second Amendment entered into on 20 December 2021:
    - Provided for a Second Amendment Supplemental Term Loan of EUR 7,200 thousand (USD 8,100 thousand) at the same terms as the Initial Term Loan and which was drawn on 30 December 2021 to settle in cash the acquisition of Chefgood Pty Ltd by the parent's Australian subsidiary Marley Spoon Pty Ltd in January 2022 along with certain transaction costs and related CAPEX;
    - Redefined the performance criteria required to access the Supplemental Term Loan which was drawn in June 2022 for EUR 19,255 thousand (USD 20,000 thousand) and which remained outstanding as at 31 December 2022;
- Third Amendment: executed on 31 May 2022 in order to confirm achievement of a performance milestone and to waive any breach in connection with historical sales tax obligations in the US;
- Fourth Amendment: executed on 23 November 2022 to extend the interest-only payment period to January 2024 and to stipulate a pre-payment, at no penalty, of a certain amount of principal in excess of a minimum amount of capital raised by the Company in connection with a December 2022 capital raise;
- Fifth Amendment: entered into on 12 December 2022 to amend the benchmark rate from three-month LIBOR to three-month SOFR with a floor of 0.76%;
- Sixth Amendment entered into on 25 April 2023 in connection with the business combination agreement:
    - Interest payment deferral period from April to September 2023, with the capitalization of the corresponding amounts;
    - Principal repayment of EUR 7,790 thousand (USD 8,609 thousand) without penalty on 25 July 2023, with the subsequent reduction of the interest rate to 7.5% over the three-month SOFR;
    - Amortization Date redefined as 15 January 2025;
    - Term Loan Maturity Date redefined as 15 June 2026;
    - Deferral fee of EUR 592 thousand (USD 643 thousand) settled through Marley Spoon SE shares and considered as transaction cost.

The aforementioned drawdowns and pre-payments result in an outstanding loan balance of the Company's loan with Runway of USD 71,299 thousand as at 31 December 2023. See note 19 (Subsequent Events) for a discussion of further payments after the reporting period.

6.7 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 2023	31 December 2022
Trade and other payables	25,950	26,405

6.8 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, the final installment of which is payable in 2024 (see further details of the contingent liability terms in note 12).

EUR in thousands	31 December 2023	31 December 2022
Other financial liabilities	12,212	14,801

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 2023					
Opening net book value	24,574	478	85	15	25,152
Exchange rate differences	(778)	(8)	(5)	1	(790)
Additions*	2,026	194	12	-	2,232
Disposals	(39)	-	-	-	(39)
Transfer of asset under construction	(6)	6	-	-	-
Transfer of future dismantling costs	(827)	-	-	-	(827)
Depreciation charge	(3,607)	(425)	(1)	-	(4,033)
Closing net book value	**21,343**	**245**	**91**	**16**	**21,695**
As at 31 December 2023					
Cost	35,198	1,652	92	16	36,958
Accumulated depreciation	(13,028)	(1,407)	(1)	-	(14,436)
Transfer of make good provision	(827)	-	-	-	(827)
Net book value	**21,343**	**245**	**91**	**16**	**21,695**

*Additions include EUR 42 thousand unpaid as at 31 December 2023 (2022: EUR 88 thousand).

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**

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 Australia 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 2023, 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.

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.

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. On the opening of fulfilment centers, the Company 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 2023 the dismantling (“make good”) provisions are EUR 1,800 thousand (2022: EUR 1,100 thousand).

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 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**
Additions	10,000	6,641	16,641
Future dismantling costs transferred	827	-	827
Dismantling cost addition	738	-	738
Dismantling cost amortization	(242)	-	(242)
Exchange rate impact	(480)	(320)	(800)
Depreciation expense	(3,606)	(3,020)	(6,626)
As at 31 December 2023	**26,973**	**5,771**	**32,744**

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

	2023	2022
As at 1 January	25,671	27,122
Additions	16,328	3,165
Exchange rate impact	(662)	1,015
Interest expense	2,869	3,054
Payments	(8,875)	(8,686)
As at 31 December	**35,331**	**25,671**

The following are amounts recognized in profit or loss:

EUR in thousands	2023	2022
Depreciation expense of right-of-use assets	6,626	6,239
Interest expense on lease liabilities	2,869	3,054
Expense related to short-term leases	2,926	3,485
Expense related to leases of low-value assets	1,072	1,512
Total amount recognized in profit or loss	**13,493**	**14,290**

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.

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

Impact of FreshRealm transaction: following the asset purchase agreement between the Company's US subsidiary and FreshRealm in February 2024, the Company expects to reduce its aggregate lease commitments during calendar year 2024. Fulfillment center and equipment financing leases have been or are in the process of being assigned. The Company estimates that it will pay approximately EUR 5,782 thousand based on agreed lease commitments during calendar year 2024. 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 2024.

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 the 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 considers that no finance lease receivable is impaired.

Amounts receivable under the finance lease in the next twelve months are: EUR 179 thousand, with EUR 246 thousand receivable from 1 January 2025 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 2022	**18,448**	**2,559**	**-**	**4,381**	**1,301**	**26,689**
Additions	6,624	926	-	-	-	7,551
Exchange rate differences	-	(27)	-	-	-	(27)
At 31 December 2023	**25,073**	**3,458**	**-**	**4,381**	**1,301**	**34,213**
Amortization						
At 31 December 2022	**(8,300)**	**(865)**	**-**	**(710)**	**(429)**	**(10,304)**
Additions	(5,338)	(648)	-	-	-	(5,986)
Exchange rate differences	(1)	(3)			-	(4)
At 31 December 2023	**(13,638)**	**(1,517)**	**-**	**(710)**	**(429)**	**(16,294)**
Cost	25,073	3,458	-	4,381	1,301	34,213
Accumulated amortization	(13,638)	(1,517)	-	(710)	(429)	(16,294)
Net book value	**11,434**	**1,942**	**-**	**3,671**	**872**	**17,919**

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 6,624 thousand was internally developed product development assets in the following projects, among others: a new self service capability for reporting customer service issues, a user interface update for the weekly menu to enhance filtering, increased pricing flexibility for delivery slots and further enhancement of inventory management with handheld scanners.

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 2023, management has not impaired any 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 2023		31 December 2022	
	DTA	DTL	DTA	DTL
Intangible assets	-	(4,900)	-	(4,477)
Right-of-use assets	-	(8,449)	-	(5,634)
Lease liability	9,018	-	6,419	-
Other	548	-	-	(176)
Valuation allowance on DTA	(1,029)	-	-	-
Tax loss carryforward available for offsetting against future taxable losses	2,988	-	2,087	-
Total	**11,525**	**(13,349)**	**8,506**	**(10,286)**
Netting	(11,525)	11,525	(8,506)	8,506
Total after netting	**-**	**(1,824)**	**-**	**(1,781)**
Not-recognized DTA on temporary differences	1,029	-	-	-
Not-recognized DTA on TLCF	45,039	-	33,210	-

The Group has EUR 251,626 thousand of tax losses carried forward as at 31 December 2023 (31 December 2022: EUR 192,719 thousand) resulting in a potential deferred tax asset of EUR 50,382 thousand as at 31 December 2023 (31 December 2022: EUR 47,007 thousand). These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The subsidiaries have taxable temporary differences available that can partly support the recognition of deferred tax assets on tax losses carried forward. On this basis, the Group has determined if tax laws apply that limit the extent to which unused tax losses can be recovered against future taxable profits in each year.

For the following tax losses carried forward deferred tax assets have not been recognized:

EUR in thousands	2023	2022
Germany incl. CIT and trade tax	101,094	87,229
United States of America	57,341	47,042
Australia	23,773	17,016
Netherlands	35,237	20,549
Luxembourg	9,987	-
Other jurisdictions	7,719	7,694
Total	**235,150**	**179,531**

For deductible temporary differences of in total EUR 37,358 thousand no deferred tax asset has been recognized.

7.5 Inventories

The inventory balance contains food, packaging and marketing items with a net balance of EUR 9,289 thousand (2022: EUR 13,124 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 2022 or 2023.

Inventories recognized as an expense during the year ended 31 December 2023 amounted to EUR 136,942 thousand (2022: EUR 171,988 thousand).

EUR in thousands	31 December 2023	31 December 2022
Raw materials	9,289	13,124

7.6 Employee benefit obligations

The Group does not contribute to or offer any defined benefit plans (only defined contribution plans), nor any post-employment 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 2023	31 December 2022
Other current financial assets	3,615	3,233

7.8 Contract liabilities and other non-financial liabilities

Contract liabilities and other non-financial liabilities amounted to EUR 5,506 thousand as of 31 December 2023 (2022: EUR 5,442 thousand) and are related to 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 the balance date. The Group expects to recognize the revenue of the amounts deferred within 30 days.

EUR in thousands	31 December 2023	31 December 2022
Contract liabilities	1,397	1,876
Current other non-financial liabilities	4,110	3,566
Total	**5,506**	**5,442**

7.9 Other disclosures

Number of employees

The average headcount of the Group in the reporting period was 1,483 employees (2022: 2,079).

Auditors' fees

Principal auditors' fees recognized as an expense in the reporting period were EUR 475,829 (2022: EUR 105,888), as follows: EUR 202,994 for the statutory audit of the annual accounts, EUR 37,450 for the review of the interim consolidated accounts and EUR 235,445 in audit fees related to the business combination.

8 Equity

8.1 Share capital and capital reserve

	Share Capital		Treasury Shares		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 2022	**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**	**265,798**
Issuance of share capital	34,223	34,223	-	-	1,369	35,592
Conversion of free capital	-	-	-	-	-	-
Transaction costs for issuance of shares*	-	-	-	-	(1,270)	(1,270)
Receipt of shares for employee option exercise	-	-	-	-	-	-
Shares transferred to employees	-	-	-	-	-	-
Cash on exercise of share options	-	-	-	-	(73)	(73)
Capital reorganisation adjustments	(39,396)	(73,012)	20,012	(200,125)	332,822	59,685
Small Holdings Offer	-	-	-	-	(264)	(264)
As at 31 December 2023	**34,163**	**547**	**20,012**	**(200,125)**	**559,046**	**359,468**

*Includes transaction costs incurred by Marley Spoon SE of EUR 226 thousand on its EUR 34.2 million issuance of shares and the EUR 1.0 million transaction costs incurred by Marley Spoon Group SE as part of the capital reorganization.

Capital reorganisation

On 6 July 2023, the Company successfully completed its business combination with Marley Spoon SE. The Company acquired shares representing 84% of the Marley Spoon SE in exchange for the Company's issuance of 7,912,290 Class A shares without nominal value for an aggregate subscription price of EUR 79,123 thousand.

As a result of the issuance of the Class A shares, the Company incurred transaction costs in the amount of EUR 1.0 million. According to IAS 32, these costs were evaluated with regard to their deductibility from equity. As a result, EUR 1.0 million were recognized as a reduction in equity within the capital reserves. The corresponding deferred tax effect of EUR 237 thousand was not recognized as the Company does not foresee any future taxable income on which the related deferred tax asset can be utilized.

The transaction was accounted for as a reverse acquisition in accordance with IFRS. Under this method of accounting, the Company was treated as the "acquired" company for financial reporting purposes. Therefore, for accounting purposes, the business combination is treated as if Marley Spoon SE issued shares to the Company in exchange for the net assets of the Company. The recognition and reporting of the post business combination consolidated financial information were as follows:

- The comparative information presented in the consolidated financial statements of the Group is that of Marley Spoon SE pre-business combination, with the assets and liabilities of Marley Spoon SE recognized and measured at their pre-combination carrying amounts;
- The retained earnings and other equity balances recognized in the consolidated financial statements of the Group are those of Marley Spoon SE immediately before the capital reorganization;
- The share capital structure of the Group (that is, the number and type of equity instruments issued) shown in the post-combination consolidated financial statements reflects Marley Spoon Group SE's legal equity structure.

The effects at the business combination date on the Group's consolidated equity resulted in the following capital reorganization adjustments:

EUR in thousands	Share Capital	Treasury Shares	Capital Reserves	Accumu-lated Net Earnings / (Losses)	Other Reserves
Consolidation of the equity (pre-business combination) of Marley Spoon Group SE	420	-	210,553	(16,995)	123
Redemption of Class A shares	-	(200,125)	-	-	-
Issuance of new Class A shares in exchange of Marley Spoon SE shares	127	-	78,996	-	-
IFRS 2 adjustment	-	-	60,403	-	-
Elimination of share capital of Marley Spoon SE	(73,559)	-	73,559	-	-
Elimination of retained earnings and other reserves balances of Marley Spoon Group SE	-	-	(15,918)	16,995	(123)
Elimination of Marley Spoon Group SE investment in Marley Spoon SE	-	-	(79,149)	-	-
NCI reclassification (i.e. 16% NCI in Marley Spoon SE)	-	-	4,377	-	-
Total	**(73,012)**	**(200,125)**	**332,822**	**-**	**-**

Assets and liabilities acquired at the business combination date include cash of EUR 16.8 million, other assets of EUR 203 thousand and liabilities of EUR 23.1 million.

Moreover, and consistent with the guidance in IFRS 2, the business combination was accounted for in accordance with IFRS 2 whereby the difference in the fair value of the shares and warrants deemed to have been issued by the accounting acquirer and the fair value of the accounting acquiree's identifiable net assets represents the remuneration of a service (often designated as listing fee) received by the accounting acquirer. This resulted in the recognition of EUR 60.4 million of expense (recorded under general and administrative expenses) upon consummation of the business combination transaction.

As at 31 December 2023, the Company's share capital consists of 29,174,790 Class A shares with nominal value of EUR 467 thousand and 4,987,500 Class B shares with nominal value of EUR 80 thousand.

During the period

In addition to the financing events previously noted as having taken place in 2023, the financial position and performance of the Group were also affected by the following events and transactions during the twelve months to 31 December 2023:

- The Company settled the deferral fee liability of EUR 592 thousand (of which EUR 569 thousand relates to share capital) related to the amendments of its debt terms with Runway in combination with the BCA through the issuance of shares, which were registered in the commercial register on 4 July 2023.
- A negotiated amendment, in connection with the business combination agreement, to the Company's existing loan agreement with Runway Growth Finance (Runway) which included an extension of the interest-only period to 15 January 2025 and the loan maturity date to 15 June 2026. This was agreed along with the deferral of interest for the period April - September 2023, which was capitalized to the outstanding loan balance. Refer to note 16 for further changes in the maturity date;
- Marley Spoon SE completed its conversion from a German stock corporation (Aktiengesellschaft or "AG") to a German-registered European company (Societas Europaea or "SE"). This transformation, approved by the shareholders at the Annual General Meeting on 1 June 2022, provides a more flexible and appropriate corporate structure for Marley Spoon, enhancing its position as a growth company with a pan-European/international employee base. The conversion was finalized on 13 March 2023, with the Company now operating under the name "Marley Spoon SE".
- On 7 July 2023, Marley Spoon Group paid EUR 7.0 million to Class A shareholders who redeemed their shares prior to the Business Combination.
- From 13 July 2023 onward, the Company's shares are trading on the Regulated Market (General Standard) of the Frankfurt Stock Exchange under the ISIN LU2380748603 and trading symbol MS1. In addition, the Supervisory Board of the Company

initiated a board transition, including key appointments and retirements, to enable an orderly handover to European-based directors (see Directors' report);

- On 4 September 2023, the Company made an unconditional, off-market, direct cash offer to Marley Spoon SE CDI holders to acquire up to 10,000 CDIs from each Marley Spoon CDI holder at a price of A$0.11 per CDI. Upon closing of the Small Holdings Offer on 4 October 2024, 858 CDI holders tendered a total amount of 4,011,518 CDIs, representing approximately 3% of the CDIs on issue as at the Small Holdings Offer record date, and approximately 1% of the total issued capital of Marley Spoon SE. The Company's acquisition of these CDIs increased its holding in Marley Spoon SE to approximately 85% on completion;
- In October 2023, Marley Spoon Group redeemed and paid all additional sponsor warrants (Class B warrants) for EUR 411 thousand to settle a repayment agreement dated June 28, 2023 between the sponsors and co-sponsors of the SPAC and the Company.
- On 6 November 2023, the Company launched a Subsequent Direct Tender Offer to acquire remaining Marley Spoon SE CDIs in exchange for the Company's public shares. Upon closing of the Subsequent Direct Tender Offer on 19 December 2023, the Company received acceptances from 400 CDI holders with respect to a total amount of 76,621,889 CDIs, representing approximately 65% of the CDIs on issue as at the Tender Offer record date, and approximately 10.4% of the total issued capital of Marley Spoon SE. The Company's acquisition of these CDIs will increase its holding in Marley Spoon SE to approximately 95% on settlement of the Tender Offer.

The Group has not recognized or assigned any dividends during the presented periods. All issued and outstanding shares are fully paid as of 31 December 2023 (2022: all issued and outstanding shares are fully paid).

During the previous 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 by Marley Spoon SE. 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 the 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 currently does not yet have a long-term incentive program though its largest subsidiary, Marley Spoon SE, has two share option schemes under which options to subscribe for Marley Spoon's shares have been granted to employees. Marley Spoon's long-term incentive program is described here, with further details provided in note 8.2. 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 Marley Spoon SE, inter alia, for the benefit of employees to be released under the circumstances stated in the ESOP plans. Treasury shares held by Marley Spoon 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).

In conjunction with Marley Spoon's planned conversion to a German registered European company (Societas Europaea), Marley Spoon 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. Marley Spoon 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. Marley Spoon 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 Marley Spoon. No cash contributions by shareholders and/or CDI-holders were required, and the increase did not impact Marley Spoon's cash reserves. As at 31 December 2022 the share capital of Marley Spoon 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 Marley Spoon. 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 Marley Spoon remained unchanged.

8.2 Other reserves / other share-based payments

Employee Stock Option Program (ESOP), Stock Option Plan 2019-2023 (SOP)

Other reserves include a balance for the Employee Stock Option Program (ESOP) and the Stock Option Plan (SOP 2019, 2020, 2021, 2022 & 2023) which are equity-settled share-based payments.

Prior to its Australia IPO, Marley Spoon issued rights under historical "virtual share plans" to most of its salaried employees which were replaced with stock options after Marley Spoon's IPO (the ESOP plans). Generally, employees were granted stock options with a vesting period of up to 48 months with a cliff period of 12 months. No owner rights, e.g., voting rights, were associated with the program.

Marley Spoon introduced a new employee stock option plan ("SOP") in February 2019 and August 2019, followed by subsequent grants in February 2020 and August 2020, March 2021 and August 2021 (though 2021 plans ceased to vest because performance criteria were not met), March 2022 and September 2022, as well as March 2023, 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, Marley Spoon introduced an additional equity award program for its employees comprised of Restricted Stock Units (RSUs). This program served as Marley Spoon's long-term incentive (LTI) program for its non-key executive management personnel, while the share option program continued to serve as Marley Spoon's LTI program for Management Board members. Similar to the share option program, the RSU program has performance measures that must be met for the award to be received. The Supervisory Board, to the extent the Management Board is concerned, and the Management Board, to the extent other participants are concerned, shall: (i) select two performance measures, (ii) weigh the two selected performance measures and (iii) determine the performance targets to be achieved over the respective performance period. In so doing, the respective board is to be guided by the goal of Marley Spoon's sustainable development. Targets were to be evaluated as threshold, target or stretch, the achieving or exceeding of which will equate to a range of a 50% to 125% weighting when calculating the exercisable RSUs / options. Two key differences between the RSU and share option program include: 1) provisions regarding the exercise price, waiting period and expiry date shall not apply to the RSU program and 2) RSUs will vest over a graded three-year period (20%/30%/50%) as compared to the share option program's four-year period (10%/20%/30%/40%).

On account of the business combination agreement and Marley Spoon SE's intended de-listing from the ASX, a new long term incentive plan is being developed for Marley Spoon team members and Management Board members.

Activity in the Marley Spoon SE's stock option plans, denominated in CDIs, was as follows:

	Number of awards [CDIs]
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
Granted during 2023	10,746,072
Forfeited during 2023	(3,182,864)
Exercised during 2023	(59,076)
Expired 2023	-
Number of awards outstanding 31 December 2023	20,879,506
Thereof: exercisable*	3,344,491

*Previous years combined the amount of exercisable or vested awards; in 2023 only exercisable awards are presented.

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	2023	2022	2021	2020	2019
Value per common CDI (EUR)	0.10	0.14 - 0.38	1.33 – 1.97	0.18 – 2.04	0.31 - 0.36
Exercise price (EUR)	0.13	0.14 - 0.44	0.18 – 1.82	0.18 - 1.53	0.27 - 0.40
Expected volatility	92%	80-99%	79%	57% - 80%	45%
Expected term (in months)	48	48	48	48	48
Expected dividend yield	-	-	-	-	-
Risk-free interest rate	2.8%	0 - 1.38%	0%	0%	0%

Total expenses arising from share-based payments to employee programs (ESOP, and SOP grants in 2019, 2020, 2022 & 2023, and RSU 2022 & 2023) recognized during the period were EUR 1,589 thousand (2022: EUR 1,009 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 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 2023 is EUR 1,074 thousand (2022: EUR 3,425 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 2023 and 31 December 2022 are disclosed in the list below with more specific details on the respective balances included in the mentioned notes.

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

9.2 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 as liabilities at their fair value and adjusts 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 a combination of Monte Carlo and Binomial Tree valuation model for periods when there are no observable trades, as of each relevant date.

9.3 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 Company's ability to meet its financial obligations as they fall due and continue as a going concern largely depends on Marley Spoon SE's ability to maintain a positive cash balance. Management's forecast entails a positive cash balance for the next twelve months assuming contribution margin in line with the prior year and a reduction in G&A expenses as a percent of net revenue by up to five percentage points for the fiscal year 2024 as compared to FY 2023. 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 Marley Spoon's ability to continue as a going concern depends on delivering positive operating cash flows through positive operating profitability driven by margin expansion or additional cost reductions. Management expects Marley Spoon to be able to address these additional headwinds with the respective measures.

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

Materials price risk is the risk that changes in market prices of key items used in the production of the Company's products, i.e., food and packaging, will affect the Group's results of operations. Inflation is not limited to produce but rather can impact all direct materials so the analysis considers a broader set of costs than in historical years.

The Group manages food cost risk in particular with a detailed menu design and planning process which is aligned with pre-determined cost targets. Significant increases in food costs are mitigated by 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	2023	2022
5% increase in direct materials prices	**(7,053)**	**(8,950)**
5% decrease in direct materials prices	7,053	8,950

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. Marley Spoon's international operations seek to match the expenses incurred and revenue generated in the respective currency, and thus the foreign currency risks that could be material to 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	2023	2022
(2022: 6.1%) 2.3% increase of the FX rate AUD / EUR	130	285
(2022: 6.1%) 2.3% decrease of the FX rate AUD / EUR	(130)	(285)
(2022: 11.7%) 4.2% increase of the FX rate USD / EUR	1,895	8,212
(2022: 11.7%) 4.2% decrease of the FX rate USD / EUR	(1,895)	(8,212)

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 however the Company's material loan facility has a variable interest rate based on SOFR. To manage the risk on the variable component, the Company entered into a derivative financial instrument in October 2023, with a two-year maturity. The sensitivities on the SOFR rate as at 31 December 2023 are as follows:

EUR in thousands	2023	2022
1% increase in SOFR	(636.9)	(688.8)
1% decrease in SOFR	636.9	688.8

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 2023	31 December 2022
Non-current financial assets	2,663	2,510
Trade receivables and other assets	1,545	774
Other current financial assets	3,615	3,233
Cash and cash equivalents	12,749	19,033
Total	**20,572**	**25,551**

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

EUR in thousands	31 December 2023				31 December 2022			
	PSP	Customers	Other	Total	PSP	Customers	Other	Total
Europe	74	207	51[1]	333	36	18	34[1]	87
Australia	154	99	-	253	66	26	37[2]	129

USA	47	6	-	53	408	150	0	558
Total	**276**	**312**	**51**	**639**	**509**	**194**	**71**	**774**

[1] Receivables from related parties

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 2023 the Group's current assets of EUR 24,131 thousand (2022: EUR 36,164 thousand) which is less than current liabilities of EUR 58,426 thousand (2022: EUR 63,182 thousand). The Group's cash flow from operations in 2023 was a negative EUR 9,911 thousand, though a significant improvement versus the previous year (2022: negative EUR 18,726 thousand), and the Group held a cash position of EUR 10,851 thousand (2022: EUR 19,033 thousand) as at 31 December 2023. The February 2024 FreshRealm transaction and associated equity raise and debt paydown, which reduced interest expense, has enhanced the Company's liquidity (see note 19 Subsequent Events).

The Company's non-current liabilities, which are mainly long-term borrowings, reached EUR 100,187 thousand in the year ended 31 December 2023 (2022: EUR 91,778 thousand).

Maturity analysis

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

EUR in thousands	31 December 2023			31 December 2022		
	1-3 months	4-12 months	1-5 years	1-3 months	4-12 months	1-5 years
Trade payables & other payables	25,950	-	-	26,405	-	-
Other financial liabilities	10,113	2,099	-	13,122	1,678	-
Interest bearing loans and borrowings	468	3,946	67,402	2,962	12,945	78,487
Derivative financial instrument	-	-	-	-	-	-
Total	**36,531**	**6,045**	**67,402**	**42,489**	**14,624**	**78,487**

11 Group structure

11.1 Subsidiaries

The Group's principal subsidiaries at 31 December 2023 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. During the year Marley Spoon Holdings AG was liquidated.

Name	Principal Activities	Country of Incorporation	% equity interest 2023*	2022**
Marley Spoon SE	Operations	Germany	84.59	-
Marley Spoon Pty Ltd.	Operations	Australia	100	100
Marley Spoon Finance Pty. Ltd.	Financing	Australia	100	100
Chefgood Pty Ltd	Operations	Australia	100	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

*Marley Spoon Group SE as parent company.
** Marley Spoon SE as parent company.

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
Germany	Paul-Lincke-Ufer 39/40, 10999 Berlin, Germany
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 2023	31 December 2022
Interest-bearing loans and borrowings	(71,817)	(78,602)
Trade and other payables	(25,950)	(26,405)
Less: cash & short-term deposits	12,896	19,140
Net debt	**(84,871)**	**(85,867)**

No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2023 and 2022.

12 Contingencies & commitments

The Group has provided for potential legal claim contingencies of EUR 452 thousand during 2023 (2022: EUR nil), which is currently just an estimate and has at least a 50% probability of being realized. For a disclosure on the contingent liability related to the Chefgood acquisition, please refer to note 16.

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 Parent entities

As at 31 December 2023, there is no controlling shareholder at the level of Marley Spoon Group SE.

13.2 Significant beneficial security holders

The Group does not have a senior or ultimate holding company but has various security holders. No entities have significant influence over the Group other than the one-vote-one-share structure. Significant beneficial security holders of Marley Spoon Group SE as at 31 December 2023 include 468 Capital II GmbH & Co. KG (22% shareholding with 2,206,401 shares), USV Marley Spoon A, LLC (14% shareholding with 1,458,025 shares) and Mr. Sudeep Ramesh Ramnani (12% shareholding with 1,231,327 shares). Remaining security holders with shareholding under 10% and treasury shares make up the balance.

13.3 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

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

EUR in thousands	2023	2022
Short-term employee benefits	1,250	1,088
Share-based payments	39	175
Total compensation	**1,289**	**1,263**

Supervisory Board

The Supervisory Board currently consists of the following members: Mr. Christian Gisy, Mr. Alexander Kudlich and Mr. Yehuda Shmidman, for a period ending at the general meeting of shareholders approving the annual accounts relating to the financial year ending on 31 December 2027 to be held in 2028.

For their services as a member of the Supervisory Board during the financial year 2023, each Supervisory Board member received a fixed annual remuneration in the amount of EUR 60,000. The base remuneration is inclusive of any applicable taxes, social contributions, superannuation, and other duties imposed on the respective member of the Supervisory Board. The Chairman of the Supervisory Board receives an additional remuneration of EUR 60,000 for the Chairman role. For Supervisory Board members serving on the boards of both Marley Spoon Group SE and Marley Spoon SE, the remuneration costs are borne by both entities.

There is no equity-based remuneration for the Supervisory Board in 2022 or 2023. For the financial year ending 31 December 2023, the cash fees paid to the members of the Supervisory Board amount to EUR 112,419 in aggregate.

EUR in thousands	2023	2022
Short-term employee benefits	112	345
Total compensation	**112**	**345**

Further details on Marley Spoon Group's remuneration may be found in the Remuneration Report.

13.4 Transactions with other related parties

Apart from the related party transactions disclosed in notes 8.1 and 13.1, the Company had a transaction with an entity, Marley Spoon Employee Trust UG (MSET), which holds 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. This entity is fully controlled by Fabian Siegel, Marley Spoon's Global CEO and Managing Director of all of the Group's subsidiaries. When employees exercised options in the ESOP, shares held by the other entity 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 2023 and 31 December 2022. 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.

Following the capital reorganization (see note 8.1), the weighted average number of ordinary shares for EPS presented in the consolidated financial statements for pre-combination periods shall be computed on the basis of the weighted average number of ordinary shares of Marley Spoon SE outstanding during the period multiplied by the exchange ratio established in BCA. The weighted average number of ordinary shares for EPS shown in the post-combination consolidated financial statements shall be the actual number of ordinary shares of the Marley Spoon Group SE outstanding during that period.

	31 December 2023	31 December 2022
Loss attributable to ordinary equity holders (thousands)	(87,250)	(39,730)
Weighted average shares outstanding (WASO)	20,315,939	29,974,923
Basic loss per share	**(4.29)**	**(1.33)**
Diluted loss per share	**(4.29)**	**(1.32)**

The diluted loss per share would result in antidilution and hence is now kept equal to basic loss per share.

15 Assets pledged as security

As at 31 December 2023, 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 2,528 thousand);
- Specific production equipment used by Chefgood Pty. Ltd as security for NAB (EUR 852 thousand);
- The remainder of the Company's assets are pledged as security for Runway

16 Chefgood acquisition

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

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

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

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

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

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

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

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

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

The deferred tax liability mainly comprised the tax effect of the net intangible asset uplifts and was 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 FY 2022 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. 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.

As at 31 December 2023, the fair value of the contingent liability was determined to be EUR 336 thousand, which is net of the second earn out consideration. Changes to the estimated fair value of the third payout is determined from lower than expected Chefgood revenue growth and the passage of time. As such there has been a reduction in fair value of EUR 1,294 thousand, recognized as a credit to financing cost within the profit and loss. An amount of EUR 244 thousand has been re-allocated to financial liabilities as this amount is now known. Exchange rate differences amounted to EUR 156 thousand.

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
Payments made to Sellers	(2,419)
Reclassify to financial liability	(244)
Fair value changes recognized in profit or loss	(1,294)
Exchange rate difference	(156)
Carrying amount at 31 December 2023	**336**

17 Goodwill

The following table discloses the allocation of goodwill for reporting units as well as the development in 2023:

Goodwill (EUR in thousands)	31 December 2022	Initial consolidation	Currency translation effects	31 December 2023
Australia	9,016	8,974	(363)	8,653
Total	**9,016**	**8,974**	**(363)**	**8,653**

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 Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

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 can include 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 the capital structure and beta factor of the respective peer group as well as the average tax rates of each CGU. For the CGU for which impairment was tested, the post-tax discount rate of 13.1% 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 calculation of value-in-use is most sensitive to the following:

- The discount rate used
- The growth rate used to extrapolate cash flows beyond the forecast period (terminal value growth rate)
- Contribution margin as a % of net revenue

The annual impairment test did not result in an impairment of goodwill as at 31 December 2023, with the discounted cash flow analysis indicating a headroom of EUR 29.5 million after accounting for the carrying value of the assets at 31 December 2023 of EUR 43.8 million. Sensitivity analysis was then conducted on the three key assumptions above with the impairment findings being cumulative, i.e., one key assumption was tested and then a second key assumption was added to the first assumption, and so forth.

Discount rate
The post-tax discount rate applied to the cash flow projections is 13.1%. Market risk premiums and risk-free interest rates applied are those at the total Group level. A 50 basis point increase in the pre-tax discount rate would not result in an impairment.

Terminal value growth rate
A growth rate of 1.5% was used to extrapolate the cash flows of the CGU beyond the five-year period. A reduction of the terminal value growth rate of 50 basis points as a result of negative competitive or consumer impacts would not result in an impairment.

Contribution margin
Contribution margin expansion of approximately two percentage points by 2025 and flat thereafter is assumed in Management's forecast. Contribution margin can be negatively impacted by inflation or supply chain disruptions. If contribution margin remained flat to FY 2023 throughout the forecast period, an impairment would result.

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 Group SE 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 the Luxembourg Company Law.

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. The consolidated financial statements represent a continuation of the consolidated financial statements of the accounting acquirer i.e. Marley Spoon SE.

18.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2023. Subsidiaries are all companies over which Marley Spoon Group SE 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 in which the entity operates (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.

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.

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

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 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 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. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in profit or loss.

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.

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. Acquisition cost is measured as the consideration transferred (measured at acquisition date fair value) plus the amount of any non-controlling interests (NCI) in the acquiree. For each business combination, the Group elects whether to measure NCI 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 Reverse acquisition accounting

In a business combination effected primarily by exchanging equity interests, the acquirer is usually the entity issuing its equity interests. However, in some business combinations a 'reverse acquisition' occurs whereby the issuing entity is the acquiree. This occurs when the entity that issues securities (legal acquirer) is identified as the acquiree for accounting purposes (accounting acquirer). The accounting acquiree must meet the definition of a business for the transaction to be accounted for as a reverse acquisition.

When the accounting acquiree is not a business, the recognition and measurement principles of IFRS 3 do not apply to the transaction and IFRS 2 should be applied. In the Company's case, the transaction qualifies as a reverse acquisition and IFRS 3 remains applicable. Post business combination, the financial statements will be presented as a continuation of the financial statements of the accounting acquirer. The IFRS 2 accounting for the merger is the following: (i) the assets and liabilities of the accounting acquirer are recognised and measured at their pre-combination carrying amounts in accordance with relevant IFRS; (ii) the assets and liabilities of the accounting acquiree are recognised and measured in accordance with relevant IFRS; (iii) the retained earnings and other equity balances of the accounting acquirer before the business combination are recognised in accordance with relevant IFRS; (iv) the equity structure (i.e. number and type of equity interests issued) reflects the equity structure of the legal acquirer, including the shares issued to affect the combination, including (a) share capital—the account of the accounting acquirer is carried forward but the balance is adjusted to reflect the par value of the outstanding share capital of the legal acquirer; (b) share premium—the account of the accounting acquirer is carried forward and adjusted for any change in par value of the outstanding capital stock and is increased to reflect the difference between the par value and the fair value of the shares issued to the shareholders of the legal acquiree and the cash consideration paid to accounting acquirer's shareholders in the transaction, if any; (c) the expense (listing fee) is recognized to reflect the difference of the fair value of the shares deemed to have been issued by the accounting acquirer and the book value of the accounting acquiree's identifiable net assets.

18.25 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 2023. To the extent these financial statements have changed since the 2022 report due to changes in standards and interpretations, the Company has disclosed the impact of those changes.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group has not adopted any of the new or amended standards early in preparing these consolidated financial statements.

Standard/Interpretations amended	**Standard/amendment**	**Effective date**	**Impact**
Amendment to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024	Not material
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024	Not material
Amendment to IFRS 16	Lease liability in a sale and leaseback	1 January 2024	n/a
Amendments to IAS 7 and IFRS 7	Supplier finance agreements	1 January 2024	n/a
Amendments to IAS 21	Lack of Exchangeability	1 January 2025	n/a

19 Subsequent events

FreshRealm

On 30 January 2024, Marley Spoon SE's US subsidiary, MMM Consumer Brands, Inc. ("MMM") signed and on 9 February 2024, closed, agreements with FreshRealm, Inc. ("FreshRealm") to enter into a strategic partnership for manufacturing and fulfillment, transforming the Company toward an asset-light model in support of scalability for future market consolidation. An asset purchase agreement was executed under which (i) certain production and fulfillment assets (and the associated security) and contractual obligations, including leasehold improvements, furniture, fixtures and equipment and certain liabilities located at the New Jersey, Texas and California fulfillment centers, and (ii) certain assets relating to, used or held for use by or in connection with the BistroMD operations (see below) were sold for a consideration of USD 24,000 thousand, a portion of which is held in escrow for a 12-month period.

At the same time, Marley Spoon Group SE signed an agreement for the acquisition of BistroMD, LLC ("BistroMD"), the leading doctor-designed ready-to-eat meal plan in the US as a first step toward its previously announced growth and consolidation strategy, adding EUR 35 million in revenue (unaudited) in the large and growing US ready-to-eat market. Simultaneously, certain larger investors of Marley Spoon Group SE agreed to invest a total of EUR 8.035 million at EUR 4.00 per share to support the above transactions.

Runway

On 23 January 2024, a Joinder and Seventh Amendment to the loan agreement was signed to provide for Marley Spoon Group SE to join as a new guarantor.

On 30 January 2024, a Consent and Eighth Amendment to the loan agreement was signed confirming the following:

- Extension of the amortization date of the loan to 15 January 2026;
- Extension of the maturity date of the loan to 15 June 2027;
- Granting of consent for MMM to execute the transaction with FreshRealm;
- Granting of consent for Marley Spoon Group SE to enter into a share purchase agreement with BistroMD for acquisition of the company

On 30 January 2024 a Ninth Amendment to the loan agreement was signed determining a pre-payment, without penalty, of the loan balance of EUR 10,320 thousand (USD 11,200 thousand). It also provided for the possibility of potential rate reductions upon certain pre-payment thresholds.

The consolidated financial statements were authorized by the Management Board on 30 April 2024.

Fabian Siegel

Fabian Siegel (30. April 2024 23:36 GMT+2)

Fabian Siegel

Chief Executive Officer, Chairman of the Management Board and Founder

Jennifer Bernstein

Jennifer Bernstein (30. April 2024 23:32 GMT+2)

Jennifer Bernstein

Chief Financial Officer, Member of the Management Board

RESPONSIBILITY STATEMENT

The Management Board of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the unaudited interim condensed consolidated financial position of the Group with reasonable accuracy at any time and ensuring that an appropriate system of internal controls is in place to ensure that the Group's business operations are carried out efficiently and transparently.

In accordance with Article 3 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, the Management Board declares that, to the best of our knowledge, the unaudited interim condensed consolidated financial statements for the financial period ended 30 June 2023, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position as of that date and results for the period then ended.

In addition, management's report includes a fair review of the development and performance of the Group's operations during the interim period and of business risks, where appropriate, faced by the Group.

Luxembourg, 30 April 2024

Fabian Siegel

Fabian Siegel (30. April 2024 23:36 GMT+2)

Fabian Siegel
Chief Executive Officer

Jennifer Bernstein

Jennifer Bernstein (30. April 2024 23:32 GMT+2)

Jennifer Bernstein
Chief Financial Officer

REMUNERATION REPORT

INTRODUCTION

Marley Spoon Group SE, with its registered office at 9, rue de Bitbourg, L-1273 Luxemburg, Grand Duchy of Luxemburg, registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés Luxembourg*) under B 257664, is a European Company (*Societas Europaea*).

This remuneration report has been drawn up for the purposes of Article 7b of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings, as amended and in accordance with Luxembourg legal requirements, containing the main features of the remuneration systems for the Management Board of the Company and the Supervisory Board of the Company for the financial year 2023.

The Report will be submitted to the advisory vote of the Company's shareholders in connection with the annual general meeting of the Company's shareholders to be held in 2024 (the "AGM").

1 GENERAL

The Company has been incorporated as a special purpose acquisition company ("SPAC") in view of the acquisition of 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, reorganisation or similar transaction (the "Business Combination or BCA").

The Management Board's main activity was evaluating and reviewing proposals for potential Business Combinations. The Company had no operational activities. The Company was therefore of the view that a fixed remuneration as sole compensation component besides fringe benefits and the reimbursement of expenses, as set out in the following sections, is appropriate as compensation and in line with market practice for a SPAC prior to its Business Combination.

Following the Business Combination with Marley Spoon SE on 6 July 2023, the Company's purpose shall be the creation, holding, development and realisation of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of 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.

2 THE REMUNERATION SYSTEM OF THE COMPANY

In 2022, the Company – as 468 SPAC II SE prior to the MSG Business Combination – adopted a remuneration policy for the members of the Management Board and the Supervisory Board. The remuneration policy promoted the Company's business strategy and long-term interests and thus contributes to the Company's long-term development. The Management Board's main activity was evaluating and reviewing proposals for potential business combinations without having operational activities. The Company was therefore of the view that the fixed remuneration as the sole compensation component, besides fringe benefits and the reimbursement of expenses, is appropriate as compensation and in line with market practice for a SPAC prior to its Business Combination.

The remuneration granted to the former members of the Management Board and Supervisory Board in 2023 prior to the Business Combination is also in line with the remuneration policy.

Within the Business Combination with Marley Spoon SE, the members of the Management Board and Supervisory Board changed, and also the remuneration system for the members of the Management Board and Supervisory Board.

An updated remuneration policy – reflecting the changes due to the MSG Business Combination – will be submitted to the advisory vote of the Company's shareholders in connection with the AGM in 2024.

Prior to the Business Combination, the Company has been incorporated as a SPAC with the purpose stated above in Section 1. Since the purpose and main activity of the Company were evaluating and reviewing proposals for potential Business Combinations, the fixed remuneration has been decided for the Management Board as appropriate in line with market practice for a SPAC prior to the MSG Business Combination.

Following the MSG Business Combination, the variable remuneration component has also been included in the remuneration of the recent members of the Management Board in order to motivate the members to achieve ambitious and challenging financial, operational and strategic goals during one or more financial years. For this reason, any deviations from the Remuneration Policy of the members of the Management Board following the MSG Business Combination are described in the following sections, if relevant.

3 REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD

3.1 remuneration OF THE MEMBERS OF THE MANAGEMENT BOARD granted in 2023

The members of the Management Board of the Company in 2023 received an annual fixed remuneration for 2023, as detailed in the table below, based on the tasks and responsibilities of the individual member of the Management Board.

3.2 For the Management Board prior to the Business Combination

The members of the Management Board of Marley Spoon Group SE prior to the Business Combination received only an annual fixed remuneration for 2023 plus reimbursement of expenses, as detailed in the table below, based on the tasks and responsibilities of the individual member of the Management Board and their consulting services for 468 II Advisory. The terms for these members of the Management Board ended effective 30 June 2023.

Remuneration granted in 2023 (gross, EUR in thousands)	Annual Basis	Until 6 July 2023
Alexander Kudlich (former member of the Management Board)[1]	60.0	86.7
Dr. Ludwig Ensthaler (former member of the Management Board)[2]	60.0	33.6
Florian Leibert (former member of the Management Board)	60.0	30.0
Werner Weynand (former member of the Management Board)[3]	25.0	16.0
Total	**205.0**	**166.3**

1 Includes 19% VAT on EUR 18,750 of consulting services, as well as travel expenses in the amount of EUR 53,126.

2 Includes 19% VAT on EUR 18,750 of consulting services.

3 Independent member of the Management Board paid only on time billed.

3.3 For the Management Board after the Business Combination

The members of the Management Board after the Business Combination received an annual fixed and variable remuneration for 2023, as detailed in the table below, based on the tasks and responsibilities of the individual member of the Management Board (reimbursements of costs not included). The fixed remuneration of the members of the Management Board is paid entirely by Marley Spoon SE, a subsidiary of the Company.

Remuneration granted in 2023 (gross, EUR in thousands)	Annual Basis*	2023
Fabian Siegel[1]	530	529
Jennifer Bernstein[2]	350	359
Daniel Raab[3]	420	105
Total		

*Gross base remuneration only, before any impact of Marley Spoon SE long-term incentive (LTI) program vesting.

[1] Mr. Siegel is a member of the Management Board of Marley Spoon SE (for the full year 2023) and Marley Spoon Group SE (from 30 June 2023); his gross remuneration was EUR 480 thousand until August 2023, at which time it increased to EUR 530 thousand. In addition to his salary, he earned EUR 31,511 in LTI at the vesting date.

[2] Ms. Bernstein is a member of the Management Board of Marley Spoon SE (for the full year 2023) and Marley Spoon Group SE (from 30 June 2023); her gross remuneration increased from EUR 250 thousand to EUR 300 thousand on 1 May 2023 and to EUR 350 thousand on 1 October 2023. In addition to her salary, she earned EUR 7,649 in LTI at the vesting date and received EUR 51,408 as the employer share of certain Swiss statutory social contributions and Swiss pension contributions.

[3] Mr. Raab joined the Management Boards of Marley Spoon Group SE and Marley Spoon SE as of 1 October 2023.

In addition to the above, the members of the Management Board also received a variable remuneration, in the form of a short-term bonus.

Variable remuneration granted in 2023 (gross, EUR in thousands)	2023
Fabian Siegel	100
Jennifer Bernstein	30
Daniel Raab	-
Total	**130**

For 2023 in total, EUR 1,123 thousand have been granted to the members of the Management Board.

The remuneration for the former members of the Management Board prior to the Marley Spoon Group SE Business Combination has not changed since the incorporation of the Company in 2021. The remuneration for the new members of the Marley Spoon Group SE Management Board did not change as a function of their appointment to the Marley Spoon Group SE Management Board, though their duties on the Marley Spoon Group SE Management Board were only effective from July 2023, in the case of Mr. Siegel and Ms. Bernstein, and from October 2023, in the case of Mr. Raab.

4 REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

The members of the Supervisory Board of the Company in 2023 received an annual fixed remuneration for 2023, as detailed in the table below, based on the tasks and responsibilities of the individual members of the Supervisory Board.

4.1 For the Supervisory Board prior to the Marley Spoon Group Business Combination

The former members of the Supervisory Board prior to the Marley Spoon Group Business Combination received only compensation for the performance of their mandate in the amount of EUR 3,000 per meeting of the Supervisory Board, as set out below:

Remuneration granted in 2023 (gross, EUR in thousands)	2023
Katharina Jünger (former member of the Supervisory Board until July 2023)	3
Stefan Kalteis (former member of the Supervisory Board until July 2023)	6
Mato Peri (former member of the Supervisory Board until July 2023)	3
Total	**12**

4.2 For the Supervisory Board after the Marley Spoon Group SE Business Combination

The members of the Supervisory Board of the Company after the Marley Spoon Group SE Business Combination received an annual fixed remuneration for 2023, as detailed in the table below, based on the tasks and responsibilities of the individual members of the Supervisory Board. The remunerations of Yehuda Shmidman and Alexander Kudlich are paid only by the Company and the remuneration for Christian Gisy is paid by both the Company and its subsidiary, Marley Spoon SE.

Remuneration granted in 2023 (gross, EUR in thousands)	2023
Christian Gisy	120
Alexander Kudlich	60
Yehuda Shmidman	60
Total	**240**

For 2023 in total, EUR 252 thousand have been granted to the members of the Supervisory Board.

The remuneration for the former members of the Supervisory Board prior to the Marley Spoon Group SE Business Combination did not change since the incorporation of the Company in 2021. The remuneration for the new members of the Supervisory Board was only applicable as from July 2023.

5 COMPARATIVE PRESENTATION OF THE ANNUAL CHANGES IN BUSINESS DEVELOPMENT OF MARLEY SPOON GROUP SE

Business Development of Marley Spoon Group SE:

	+/- (%)	Explanation
Revenue development	(18.1)%	Decreased marketing expense and reduced consumer confidence driven by macroeconomic factors
Operating EBITDA development	(59)%	Loss improved from EUR (8.8)m in 2022 to EUR (3.6)m in 2023 driven by contribution margin expansion and cost reductions
Average salary development of employees with full time employment	7.7%	Inflation and adjustment to market rates in certain cases

INDEPENDENT AUDITORS' OPINION

Independent auditors report

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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 **Marley Spoon Group SE** and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2023, 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 a true and fair view of the consolidated financial position of the Group as of 31 December 2023, and of its consolidated financial performance and its consolidated cash flows 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 the "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.

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Material Uncertainty on Going Concern

We draw attention to note 9.3 of the consolidated financial statements where it is stated that the Group's ability to meet its financial obligations as they fall due and continue as a going concern largely depends on Marley Spoon SE'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 in line with the prior year and a reduction in general and administrative expenses as a percent of net revenue by up to 5 percentage points for the fiscal year 2024 as compared to fiscal year 2023. The development of cash flows could be negatively impacted by headwinds such as 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 margin expansion and additional cost reductions.

These events and conditions, along with the other matters as set in the mentioned above notes to the consolidated accounts, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern.
Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Key audit matter:	**Revenue Recognition**
Description of 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.
Our response:	Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, included: • analysis of the accounting policies applied in the consolidated financial statements of Marley Spoon Group SE for revenue recognition in terms of the five-step model defined in IFRS 15; • Verification of the processes implemented by the management of Marley Spoon Group SE for the recognition of revenue, particularly with regard to the treatment of rights of return and discount allowed; • Testing the effectiveness of the controls implemented in these processes; • Checking the plausibility of the reported revenues by the use of data analytics; • Reconciliation of the revenue recognized for a statistical sample to the cash collected; • Cut-off testing: Verification of whether revenue was recorded in the correct period based on the underlying terms and conditions of the supply contract. We assessed the completeness and appropriateness of the disclosures in the Note 2 “Description of the business & segment information”, Note 3 “Revenue” and Note 18.17 “Revenue recognition” to the Consolidated Financial Statements.

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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 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 financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the 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.

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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 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 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 “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, 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” on 30 Juin 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 3 years.

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 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 of 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- 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 of 31 December 2023, 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 of the Group in conducting the audit.

Luxembourg, 30 April 2024

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

Fabien DELANTE
Réviseur d’Entreprises Agréé