



## Appendix 4C – Q1 2024 & Business Activity Report

### MARLEY SPOON GROUP REPORTS POSITIVE OPERATING EBITDA IN Q1 2024 WITH €81M IN NET REVENUE

**Berlin, Sydney, 30 April 2024:** Marley Spoon SE (“MS” ASX: MMM), a leading global subscription-based meal kit provider is pleased to share with investors its highlights from the quarter ended 31st March 2024 (“Q1 2024”) (unaudited). The Business Activity Report includes a consolidated view of its ~95% owner Marley Spoon Group SE (“MSG” or “Marley Spoon” or the “Company”).

#### Highlights:

- Q1 2024 MSG net revenue of €80.7m, up nearly 10% quarter-over-quarter;
- Strong margin expansion with MSG Contribution Margin in Q1 2024 of 34.4%, up 335 bps vs. the previous corresponding period;
- MSG Q1 2024 Operating EBITDA of €0.2m, an improvement of €6.6m vs. the prior year;
- MSG Operating Cash Flow of €2.9m in Q1 2024 and quarter-end cash balance of €26.6m;
- Smooth transition to asset-light model in the US.

Marley Spoon’s CEO Fabian Siegel, commented: *“After a challenging 2023, 2024 started with a stabilization of our customer base, resulting in quarter-over-quarter net revenue growth. This improvement on our revenue dynamic is a result of adjustments to our marketing strategy made at the end of Q3 2023, including greater focus on higher quality customer cohorts and lower discounts. It is great to see the benefits of these adjustments, such as improved customer retention, materializing. Noticeably, consumer sentiment also stabilized.*

*At the same time, the team worked hard on executing our strategic shift to an asset-light model for our US business which is expected to provide us with a scalable platform at an improved cost structure. The transition has been smooth with our meal-kit business having been transferred in early February. Since then, customer satisfaction has remained high, and the first cost savings have been realized. At the same*

*time, our US team has begun integrating our newly acquired bistroMD operations. The combination of strong operational execution globally and our lower-discount marketing strategy led to a record contribution margin for the quarter, significantly up year-on-year.*

*The higher contribution margin paired with cost reductions as a result of last year's restructuring programs led to the first ever profitable first quarter on an Operating EBITDA level, despite the seasonally higher marketing investments. Overall, we had a good start to the year with heavy lifting on the execution of two transformative strategic transactions and year-over-year improved financial performance. I want to thank everybody at Marley Spoon for their teamwork that allowed us to deliver a good start into the year."*

## **Q1 2024 Business Update**

MSG Q1 2024 net revenue landed at €80.7m, a decline of 9.5% in constant currency year-over-year, but up 10% Q-o-Q (3% excluding bistroMD). The improved revenue trajectory is driven by an adjusted customer acquisition strategy focusing on higher quality customer cohorts at lower discounts, implemented at the end of Q3 2023. Also, the company is experiencing a stabilization of consumer sentiment, leading to improvements in order frequency. A 14% (in constant currency) increase Y-o-Y in AOV was primarily driven by customers opting for higher-priced recipes and incremental Market items. Pricing also accounted for the increase in AOV, though to a lower degree than in the previous corresponding period (PCP).

The improved marketing performance allowed the Company to reduce its marketing investments in Q1 2024 to 17.1% of net revenue compared to 22.5% of net revenue in the PCP.

Marley Spoon achieved strong Contribution Margin (CM) expansion in the quarter, driven by its focus on continuous improvement and cost management, as well as the lower level of marketing discounts given. As a result, Q1 2024 CM was up 335 bps vs. the PCP to 34.4%, the highest margin on record for the Company. Q1 2024 Operating Contribution Margin ("Operating CM"), defined as CM excluding the impacts of marketing vouchers and fixed costs such as expenses relating to site leases, was lower at 40.9% compared to the PCP of 43.7%. This was driven by a conscious decision to provide more value to customers and re-invest in recipe ingredients.

During Q1 the Company transitioned to an asset-light manufacturing and fulfillment model and effectively moved all US meal-kit operations to its partner FreshRealm. The transition succeeded smoothly with customer satisfaction remaining high while first cost savings in the logistics area were achieved.

G&A decreased approximately 3% vs. the PCP, excluding the impact of one-off costs in connection with the strategic transactions in Q1 and follow-on costs of the restructuring in 2023. This is a result of the Company's financial discipline and continued cost reduction program which is expected to yield incremental process optimizations and savings through automation and business service centralization over the coming quarters.

The margin improvement and G&A savings led to Marley Spoon's first ever positive Q1 Operating EBITDA of €0.2m, an improvement of €6.6m vs. the PCP.

## MARLEY SPOON GROUP SE CONSOLIDATED INCOME STATEMENT (UNAUDITED)

€ in millions	Q1 2024	Q1 2023	% vs. PY
<b>Revenue</b>	<b>80.7</b>	<b>91.4</b>	<b>(12)%</b>
<b>Revenue €CC</b>	<b>82.7</b>	<b>91.4</b>	<b>(10)%</b>
Cost of goods sold	43.8	48.4	(10)%
<b>Gross Profit</b>	<b>36.9</b>	<b>43.0</b>	<b>(14)%</b>
% of revenue	45.7%	47.0%	(1)pt
Fulfilment expenses	9.2	14.6	(37)%
<b>Contribution margin (CM)</b>	<b>27.7</b>	<b>28.4</b>	<b>(2)%</b>
<b>% of revenue</b>	<b>34.4%</b>	<b>31.0%</b>	<b>3pt</b>
Operating CM %	<b>40.9%</b>	<b>43.7%</b>	<b>(3)pt</b>
Marketing expenses	13.8	20.6	(33)%
% of revenue	17.1%	22.5%	(5)pt
G&A expenses	21.5	19.3	11%
% of revenue	26.7%	21.1%	6pt
EBIT	(7.6)	(11.5)	34%
% of revenue	(9.4)%	(12.6)%	3pt
<b>Operating EBITDA*</b>	<b>0.2</b>	<b>(6.4)</b>	<b>6.6</b>
% of revenue	0.2%	(7.0)%	7pt

\*Figures exclude: Q1 2023: (i) severance payments/restructuring costs in the amount of €0.9m; Q1 2024: (i) severance payments/restructuring costs in the amount of €0.3m; (ii) M&A transaction fees of €3.1m at Marley Spoon SE and €0.2m at Marley Spoon Group SE.

## SEGMENT REVIEW

### United States

- Q1 2024 net revenue at €44.0m, (2.5)% vs. the PCP on a reported basis / (1.3)% in constant currency vs. the PCP;
- Contribution Margin in Q1 2024 expanding Y-o-Y by 2.0 pts to 37.7%, while reducing Operating CM by 4.3 pts Y-o-Y, to 43.5%;
- Positive Operating EBITDA of €4.1m, including bistroMD, an improvement of €3.2m compared to the PCP.

In Q1, US net revenue grew Q-o-Q and was stable Y-o-Y driven by higher order frequency and AOV as well as the consolidation of bistroMD, offsetting lower marketing investment. Strong margin expansion was realized owing to the changed marketing strategy which featured fewer discounts. Operating CM decreased due to conscious reinvestments in customer value and external factors such as produce price fluctuations and weather disruptions. G&A increases were driven principally by the addition of bistroMD, one-time M&A transaction fees and the addition of the FreshRealm platform fee (offset by removal of

D&A in COGs). Overall the US segment realized strong improvements in Operating EBITDA Y-o-Y driven by the improved margin.

### **Australia**

- Q1 2024 net revenue of €29.5m, down 17.8% on a reported basis and (13.6)% in constant currency, both vs. the PCP;
- Q1 2024 CM at 31.2%, up by 4.9 points vs. the PCP, and Operating CM at 39.0%, a decline of 1.2 points vs. the PCP;
- Positive Operating EBITDA of €1.4m, an improvement of €2.7m compared to the PCP.

Australia's revenue stabilized Q-o-Q while still in decline Y-o-Y, driven by lower marketing investment and the delayed impact of high inflation and interest rates on consumer sentiment, leading to lower order frequency Y-o-Y. Contribution Margin improved due to the adjusted marketing strategy leading to lower levels of customer discounts. Operating Contribution Margin was impacted by temporary costs related to the integration of Chefgood box assembly into Marley Spoon's meal kit operations. Overall the margin improvement and leaner cost structure led to improvements in Operating EBITDA performance in the quarter despite lower revenue.

### **Europe**

- Q1 2024 net revenue at €7.3m, a (30.9)% decline vs. the PCP;
- Q1 2024 CM at 27.1%, flat Y-o-Y and Operating CM at 32.3%, down 5.3 points compared to the PCP;
- Operating EBITDA excluding headquarter costs amounted to a loss of €0.5m in Q1 2024, in-line with PCP.

Europe faced stronger consumer headwinds than the other regions throughout 2023, resulting in the biggest decline in revenue base. Throughout Q1 consumer confidence is showing a gradual improvement compared to last year, aided by lower inflation resulting in order frequency and LTV improvement. This led to revenue stabilizing quarter-over-quarter while it remains lower year-over-year. Contribution Margin was stable as benefits from reduced marketing discounts offset re-investment in customer value, an increase in the minimum wage in the Netherlands as well as adverse effects from lower scale. Overall the lower fixed cost base and marketing investment allowed the region to keep Operating EBITDA flat despite Y-o-Y lower revenue base.

### **KEY OPERATING METRICS\***

In Q1 2024 Active Subscribers declined (23)% compared to the PCP to 194k, an anticipated outcome of 2023 revenue dynamics and the Company's discount-heavy marketing strategy that was in place until the end of Q3 2023. Since then the implementation of the lower discount strategy has led to a stabilization of

Active Subscribers in Q1 which is slightly up Q-o-Q despite a significantly reduced marketing investment at 17.1% of net revenue compared to 22.5% in the PCP.

Orders per subscriber increased by 2% vs. the PCP and average order value increased 14% in constant currency, driven primarily by the expansion of product offerings and larger plan sizes. Pricing also drove AOV expansion though to a lower degree than in the PCP.

#### Operating KPIs\*

	Q1 2024	Q1 2023	% vs. PY
<b>Group</b>			
Active customers <sup>1</sup> (k)	266	394	(32)%
Active subscribers <sup>2</sup> (k)	194	250	(23)%
Number of orders (k)	1,261	1,590	(21)%
Orders per customer	4.7	4.0	17%
Orders per subscriber	6.5	6.4	2%
Meals (m)	11.4	14.6	(22)%
Average order value (€, net)	64.0	57.5	11%
Average order value (€ constant currency, net)	65.6	57.5	14%
<b>Australia</b>			
Active customers <sup>1</sup> (k)	108	161	(33)%
Active subscribers <sup>2</sup> (k)	68	89	(23)%
Number of orders (k)	522	679	(23)%
Meals (m)	5.1	6.7	(24)%
<b>USA</b>			
Active customers <sup>1</sup> (k)	125	173	(28)%
Active subscribers <sup>2</sup> (k)	95	113	(16)%
Number of orders (k)	592	685	(14)%
Meals (m)	5.2	6.1	(15)%
<b>Europe</b>			
Active customers <sup>1</sup> (k)	33	60	(45)%
Active subscribers <sup>2</sup> (k)	30	48	(37)%
Number of orders (k)	147	227	(35)%
Meals (m)	1.2	1.8	(35)%

\*All metrics include the full Marley Spoon portfolio (Marley Spoon and Dinnerly meal kits, Chefgood, Bistro, Market and Bezzie), except Meals, which exclude Bezzie

<sup>1</sup>Active Customers are customers who have made a purchase at least once over the past 3 months.

<sup>2</sup>Active Subscribers are customers who have ordered or skipped a Marley Spoon or Dinnerly meal kit, on an average weekly basis, during the quarter.

## CASH FLOW

The Q1 2024 ending cash balance for the combined Marley Spoon Group (including bistroMD) and Marley Spoon SE was €26.6m. Cash from operations in Q1 2024 was €2.9m, driven by a combination of improved profitability as compared to the previous year, as well as working capital benefits. Improved payment terms from the FreshRealm transaction, the quarter-over-quarter revenue improvement and the timing of payments contributed to working capital benefits in the quarter.

Cash from investing activities amounted to a positive €17.8m. This is comprised of nearly €24m received as proceeds from the sale of the Company's US operations assets to FreshRealm as well as the cash acquired through the purchase of bistroMD. Offsetting this amount was a payment of €3.6m toward

bistroMD's loan facility as part of the closing of the transaction, €1.7m in expenditure against the Company's digital platforms and an earnout payment to the owner of Chefgood in connection with the acquisition of that business in early 2022. The last earnout is expected to be paid later this year.

Finally, cash from financing activities was €(6.7)m. Proceeds from a capital raise in February 2024 in connection with the FreshRealm and bistroMD transactions were €8.0m, but were offset by repayment of borrowings, most notably a €10.5m pre-payment at no penalty to Runway against the Company's largest loan balance. Lease and interest payments of €4.2m made up the balance.

For the first quarter, cash payments to related parties of Marley Spoon SE were €382 thousand in aggregate. These payments were personnel compensation for key executive management, including the Management Board and the Supervisory Board.

### **RECONFIRMING 2024 GUIDANCE**

Marley Spoon CFO, Jennifer Bernstein, commented, "We are pleased with how we began the year, stabilizing or improving on our key revenue metrics, delivering our strongest contribution margin on record and continuing to operate with a leaner cost structure as a result of the cost reduction programs we executed in 2023. This led to the Company's first profitable Q1 on record on an Operating EBITDA level despite the seasonally higher investment in marketing. Our financial performance in Q1 allows us to reconfirm our guidance for the full year 2024."

2024 Guidance:

- Single-digit net revenue growth vs. FY 2023 in constant currency
- Contribution Margin in line with the prior year
- Full-year mid-single-digit positive Operating EBITDA

### **Conference Call**

Management will present a business update to investors on a conference call at 10:00 am CEST on 30 April 2024, the details of which have been released separately.

To pre-register for the call, please follow this link:

<https://montegaconnect.de/event/hbt89hn3b80ewh55ihex591aiibmccps>

### **About Marley Spoon**

Marley Spoon SE, is a global direct-to-consumer (DTC) meal-kit company. Our Vision is to "Build a better everyday, just for you, just right". We started Marley Spoon in 2014 to help our customers to cook for their families and deal with their busy lives. We also felt there should be a more sustainable way to cook at home, reducing food waste that traditional supermarket supply chains generate. Marley Spoon currently operates various brands in three regions: Australia, the United States, and Europe (Austria,

Belgium, Germany, and the Netherlands). Our meal-kit brands, Marley Spoon, Martha Stewart & Marley Spoon, and Dinnerly, bring pre-portioned fresh ingredients with tasty and simple recipes and other eating solutions reliably to our customers every week. Our customers just decide what to eat, when to eat, and leave behind the hassle of grocery shopping. Chefgood is our direct-to-consumer ready-to-heat (RTH) services that offers tasty, high-quality, healthy, and nutritious RTH meals and eating solutions for our wellness and health-focused customers.

#### Disclaimer

This announcement constitutes neither an offer to sell nor a solicitation to buy securities. Certain statements contained in this release may constitute “forward-looking statements” that involve a number of risks and uncertainties. Forward-looking statements are generally identifiable by the use of the words “may”, “will”, “should”, “plan”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are based on assumptions, forecasts, estimates, projections, opinions or plans that are inherently subject to significant risks, as well as uncertainties and contingencies that are subject to change. No representation is made or will be made by Marley Spoon Group SE or any of their respective affiliates that any forward-looking statement will be achieved or will prove to be correct. The actual future business, financial position, results of operations and prospects may differ materially from those projected or forecast in the forward-looking statements. Neither Marley Spoon Group SE nor any of their respective affiliates assume any obligation to update, and do not expect to publicly update, or publicly revise, any forward-looking statements or other information contained in this release, whether as a result of new information, future events or otherwise, except as otherwise required by law.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Marley Spoon SE

**ABN**

625 684 068

**Quarter ended ("current quarter")**

31 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter € '000</b>	<b>Year to date (12 months) € '000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	76,209	76,209
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(43,303)	(43,303)
(c) advertising and marketing	(10,825)	(10,825)
(d) leased assets	44	44
(e) staff costs	-	-
(f) administration and corporate costs	(17,631)	(17,631)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	139	139
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(5)	(5)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	14	14
<b>1.9 Net cash from / (used in) operating activities</b>	<b>4,642</b>	<b>4,642</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) property, plant and equipment	(37)	(37)
(b) businesses	(238)	(238)
(c) investments	(3,680)	(3,680)
(d) intellectual property	(1,749)	(1,749)
(e) other non-current assets	-	-



Consolidated statement of cash flows		Current quarter € '000	Year to date (12 months) € '000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
	(f) property, plant and equipment	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other <sup>1</sup>	22,409	22,409
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>16,705</b>	<b>16,705</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(27)	(27)
3.5	Proceeds from borrowings	2,000	2,000
3.6	Repayment of borrowings	(10,950)	(10,950)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (IFRS 16 lease payments and interest paid)	(4,603)	(4,603)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(13,580)</b>	<b>(13,580)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	10,851	10,851
4.2	Net cash from / (used in) operating activities (item 1.9 above)	4,642	4,642

<sup>1</sup> Cash received as part of the initiation of a strategic partnership for manufacturing and fulfilment, executed in February 2024 between Marley Spoon SE's US subsidiary, MMM Consumer Brands, Inc. and FreshRealm, Inc.

<b>Consolidated statement of cash flows</b>		<b>Current quarter € '000</b>	<b>Year to date (12 months) € '000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	16,705	16,705
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13,580)	(13,580)
4.5	Effect of movement in exchange rates on cash held	(727)	(727)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>17,891</b>	<b>17,891</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter € '000</b>	<b>Previous quarter € '000</b>
5.1	Bank balances	17,891	17,891
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>17,891</b>	<b>17,891</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter € '000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	382
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end € '000</b>	<b>Amount drawn at quarter end € '000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	62,506	62,506
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	9	9
7.4 <b>Total financing facilities</b>	62,515	62,515
7.5 <b>Unused financing facilities available at quarter end*</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<p>Further details on the financing facilities are included in Section 6.6 (Interest bearing loans and borrowings) within the notes to the financial statements in the Marley Spoon 2023 annual report.</p> <p>During the current quarter, the Company repaid borrowings in the amount of €10.9M primarily comprised of a €10.5M repayment on the Runway Growth Capital loan, at no penalty. A further €2M was received in the quarter from Marley Spoon Group SE under the existing credit facility agreement.</p> <p>The Company's total debt as at 31 March 2024 includes asset financing in Australia of €5M, €55M (\$59.2M) in a debt facility from Runway Growth Capital, a €2.5M money market loan from BVB. Additionally there is an intercompany loan from Marley Spoon Group SE of €6M.</p>	

8. <b>Estimated cash available for future operating activities</b>	<b>€ '000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	4,642
8.2 Cash and cash equivalents at quarter end (item 4.6)	17,891
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	17,891
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.9
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024



Authorised by: .....  
Fabian Siegel, Chief Executive Officer,  
Chairman of the Management Board (*Vorstandsvorsitzender*) and Co-Founder



Authorised by: .....  
Jennifer Bernstein, Chief Financial Officer,  
Member of the Management Board (*Vorstand*)



Authorised by: .....  
Daniel Raab, Chief Operating Officer,  
Member of the Management Board (*Vorstand*)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.