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**REPORT OF THE ADMINISTRATIVE  
BOARD OF  
SPARK NETWORKS SE**

Dear shareholders,

The 2022 financial year was one of transformation for Spark Networks SE (the "**Company**"). Under the leadership of Eric Eichmann and then Chelsea Grayson as Chief Executive Officers, the Company continued to strengthen its core functions, growing its legacy platforms EliteSingles, Silver Singles and Christian Mingle and worked to stabilize the commercial performance of the Zoosk platform.

Spark is a leader in social dating platforms for meaningful relationships focusing on the 40+ age demographic and faith-based affiliations. Since our early beginnings, we have had over 350 million users register with our online dating platforms, which operate in more than 25 countries. Spark has a large growth opportunity ahead of it and believes it can drive growth in 2023 and beyond. With the right talent in place, the right product strategy, scalable technology and financial flexibility Spark is well positioned to return to growing its revenue.

Spark Networks SE was formed on March 29, 2017, under the company name "Blitz- 17-655 SE" as a shelf company and was acquired on April 12, 2017 by Affinitas GmbH with the purpose of becoming the ultimate parent company upon completion of the cross-border merger between Spark Networks Inc. in the United States and Affinitas GmbH in Germany. As part of the merger transaction on August 24, 2017, Blitz-17-655 SE was renamed Spark Networks SE. Spark Networks SE had not performed any activities prior to the merger, except those concerning the creation and implementation of the merger.

The management of the Spark Networks SE is the responsibility of a single company organ, the Administrative Board according to the single-tier system pursuant to Art. 43 - 45 SE Regulation in conjunction with Sections 20 et seq. of the German SE Implementation Act (*SE-Ausführungsgesetz*, "**SEAG**"). The Administrative Board determines the Company's basic business strategies and monitors the implementation of said strategies carried out by the managing directors. The managing directors manage the Company's business, represent the Company in and out of court and are bound by instructions from the Administrative Board.

In 2022, the members of the Administrative Board were in constant contact with the managing directors of Spark Networks SE in order to regularly analyze and assess the situation of the Company and to discuss significant aspects relating to the stabilization of the performance of its core assets, the realignment of the Company's strategy, the changes with regard to senior management, relevant improvements to address the company's material weaknesses as shown under the 2020 audit and the Company's obligations under its then current debt facility.

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**Management supervision and advice**

In 2022, the Administrative Board performed its tasks provided by law, the Articles of Association, the Rules of Procedure of the Administrative Board, the Charters of the Committees of the Administrative Board, Corporate Governance Guidelines of the Administrative Board and Code of Ethics of the Company with utmost diligence. The Administrative Board regularly advised and monitored the managing directors of Spark Networks SE with regard to the Company's business operations, including but not limited to the planning and implementation of the Company's short-term and long-term financial and strategic planning. The Administrative Board also reviewed in detail the management of compliance and other risks.

In 2022, the Administrative Board and the managing directors exchanged views and regularly discussed

- the status of the implementation of the business strategy with regard to the synergies resulting from the acquisition of Zoosk Inc.;
- the strategic alignment of the Company with regard to market trends and industry dynamics;
- the stabilization of processes about SOX and further financial compliance and
- the engagement of the company with its investors and the market to generate shareholder value.

The Administrative Board was directly involved in all important decisions for Spark Networks SE at an early stage in accordance with the law and company's Articles of Association as well as the rules of procedure for the Administrative Board. The managing directors informed the Administrative Board, in a timely manner and in detail, both in writing and verbally, about its progress to strengthen its Brand position, to generate increased awareness of the Company's Brands and Products, to drive operational and organizational efficiencies, assess its approach on investor relations, managing Cyber Security and other operational and compliance risks, as well as about the current situation of the Company. The managing directors also addressed and dealt with all deviations from the initial planning, which occurred in the course of business in due time and explained to the Administrative Board any deviations and the necessary corrective measures. The subject and scope of the reports of the managing directors thus met the requirements defined by law and by the Administrative Board. In addition to the reports, the Administrative Board has frequently requested additional information from the managing directors. The managing directors attended the meetings of the Administrative Board to report directly and provide in person support by discussing and answering questions from its members, however, the Administrative Board has regularly held meetings without the presence of the managing directors as well. Strategic or financial transactions of significance in 2022 that required approval by the Administrative Board were discussed with the managing directors and reviewed in detail. The focus was on the advantages and disadvantages as well as the further consequences of the relevant transaction, engagement with key investors, management of the Company's current debt facility, strengthening of the financial

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organization.

The entire Administrative Board was kept well informed in the periods between its meetings and those of its committees. This way, the strategy, the current business development, the situation of the Company, as well as key aspects and decisions were regularly discussed by the managing directors and the Administrative Board. The Chairman and upon August 2022 the chairwoman of the Administrative Board were also immediately informed by the managing directors of all material events relevant for the situation of the Company and its management. The Audit Committee and the Administrative Board reviewed and discussed the monthly performance as well as the quarterly figures and financial statements of the Company and reports of the Company during the 2022 financial year. Members of the Administrative Board attended meetings of the Administrative Board virtually or in person. Axel Hefer did not attend the meeting on May 25, 2022 and August 3, 2022. Bangaly Kaba did not attend the meeting on September 8, 2022. Ulrike Handel did not attend the meeting on September 8, 2022. All other members of the Administrative Board attended all meetings of the Administrative Board virtually or in person.

**Topics of Administrative Board Meetings**

The Administrative Board held ten meetings in 2022. In addition, the Administrative Board passed several resolutions by way of circular voting.

The individual meetings had the following content:

On February 2, 2022, the Administrative Board discussed results for 2021 and approved the budget for 2022.

On March 2, 2022, the Administrative Board approved and adopted the commercial terms of the Finance Agreement with MGG Investment Group LLC., and resolved that each of the Chief Executive Officer, the Chief Financial Officer, the Chief Operation Officer, and the Global Controller of the Company shall be considered an “Authorized Officer” for the purposes of the Finance Agreement.

On March 30, 2022, the Administrative Board received an operational and financial update of the Company’s performance year to date.

On May 25, 2022, the Company’s outside counsel made a fiduciary duties presentation to the Administrative Board and the Company’s financial advisor discussed various aspects of a potential sales process.

On August 3, 2022, the Administrative Board approved an amendment to its financing agreement.

On August 11, 2022, the Administrative Board adopted quantitative goals for the Company’s executive bonus plan, and set personal goals for the Company’s Managing Directors. The Administrative Board also appointed Trustees to the Company’s 401-K Plan.

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On September 8, 2022, the Administrative Board appointed its officers and determined its committee membership. The Administrative Board also authorized the officers of the Company to effect share settlements under the Company's 2020 Long Term Incentive Plan.

On November 3, 2022, the Administrative Board approved the engagement of a compensation consultant. The Company's outside counsel made a fiduciary duties presentation to the Administrative Board and the Company's financial advisor provided an update of the strategic alternatives review. The Administrative Board authorized the engagement of a financial auditor to do testing and analysis relating to the Company's solvency situation and liquidity projections in accordance with the requirements under German law.

On November 28, 2022, the Administrative Board determined to accept the resignation of the Company's Chief Executive from his employment with the Company and membership on the Administrative Board, and it appointed Chelsea Grayson as Executive Director and Chief Executive Officer of the Company. The Administrative Board also made changes to its officers and its committee memberships.

On December 14, 2022, the Company presented its proposed budget and financial plan for 2023 to the Administrative Board.

One meeting was held as face-to-face meeting and nine meetings were held as video or telephone conferences.

### **Corporate Governance**

In 2022, the Administrative Board discussed and monitored the process and implementation of compliance with the recommendations of the German Corporate Governance Code ("DCGK"), taking into account the Company's single-tier system. The Administrative Board addressed and reviewed exceptions to be disclosed in the declaration of conformity according to Section 161 of the *German Stock Corporation Act (AktG)*.

As a general rule, due to the single-tier system of the Company, Spark Networks SE (i) applies those provisions of the DCGK to its Administrative Board which, in the two-tier system of a German stock corporation (*Aktiengesellschaft*), would apply to the Supervisory Board (*Aufsichtsrat*) and (ii) applies those provisions of the DCGK to its managing directors which, in the two-tier system of a German stock corporation (*Aktiengesellschaft*), would apply to the Management Board (*Vorstand*), in each case of (i) and (ii) if and to the extent such provisions are applicable against the background of the statutory provisions applicable to Spark Networks SE as an SE with a single-tier governance system pursuant to Art. 43 - 45 SE-VO, in conjunction with Sections 20 et seq. SEAG.

These regulations do not completely correspond with the recommendations of the DCGK.

On June 19, 2023, the managing directors and the members of the Administrative Board approved the declaration of conformity regarding the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (*AktG*) and will make it permanently available to its

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shareholders on the Company's website at [www.spark.net](http://www.spark.net) together the publication of the 2022 financial statements and the invitation to the 2023 annual general meeting.

#### **Conflict of interest**

Members of the Administrative Board are required to disclose potential conflicts of interest immediately in accordance with E.1 DCGK 2022 and United States securities laws. In 2022 no such disclosures were made.

#### **Committees**

The Administrative Board has established two standing committees in accordance with the Company's Articles of Association: the Audit Committee and the Nominating, Governance and Compensation Committee. In addition, a Special Committee was temporarily established in 2022.

#### **Audit Committee**

The Audit Committee is responsible for the accounting issues and for monitoring the accounting process, internal control system, risk management, compliance, and the statutory audit procedure for the annual financial statements, as well as issuing the audit mandate to the statutory auditors.

In 2022, the Audit Committee focused on reviewing and discussing with management quarterly and annual financial results, earnings guidance and earnings press releases prior to distribution to the public, discussing the scope and results of the audit with the independent registered public accounting firm, overseeing the performance of the internal audit function and the effectiveness of internal controls which included addressing the deficiencies disclosed in the Company's 2021 annual financial statements, and reviewing the 2021 annual statutory financial statements in accordance with the German Commercial Code (*HGB*) and IFRS, and preparing the Administrative Board resolutions on these topics. The Audit Committee was also responsible for selecting, appointing, compensating and overseeing the work of the independent registered public accounting firm, and well as reviewing their qualification, performance and continuing independence.

In 2022, the Audit Committee consisted of the following members: Joseph Whitters (Chair), Axel Hefer, Colleen Birdnow Brown, Michael McConnell, and Chelsea Grayson. In 2022, eight meetings of the Audit Committee were held on January 14, January 19, January 24, March 11, May 6, August 5, November 4 and December 13, 2022. All committee members attended all meetings of the Audit Committee, except that Axel Hefer did not attend the meetings of March 11 and May 6, 2022. All meetings of the Audit Committee were held as video conferences.

#### **Nominating, Governance and Compensation Committee**

The Nominating, Governance and Compensation Committee is responsible for proposing suitable candidates for the position of managing directors and board members, overseeing

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the evaluation of members of the Administrative Board and management, in particular the appointment and dismissal as well as the compensation of the managing directors, the execution of the Company's long-term incentive plans and it reviews the overall corporate governance of the Company and the Administrative Board.

In 2022, the Nominating, Governance and Compensation Committee consisted of the following members: Brad Goldberg (Chair), Bangaly Kaba, David Khalil, and Ulrike Handel. In 2022, the Nominating, Governance and Compensation Committee met a total of seven times on January 26, March 2, March 29, May 18, August 10, October 31 and December 6, 2022. All members of the Nominating, Governance and Compensation Committee attended all meetings of the committee. One meeting was held as a face-to-face meeting and six meetings were held as video conferences.

### **Special Committee**

The Special Committee consisted of three members and had the task of exploring and discussion strategic alternatives for the Company. The Special Committee consisted of the following members: Chelsea Grayson (Chair), Colleen Birdnow Brown, and Joseph Whitters. In 2022, thirty meetings of the Special Committee were held on April 6, April 13, April 20, April 27, May 4, May 11, May 18, June 1, June 8, June 15, June 24, June 29, July 6, July 13, July 22, July 27, August 19, August 26, September 2, September 16, September 23, September 30, October 7, October 14, October 27, November 10, November 18, December 2, December 16, and December 29, 2022. Chelsea Grayson attended all meetings, Colleen Birdnow Brown attended 25 meetings, and Joseph Whitters attended 21 meetings. All meetings were held as video conferences.

### **Annual financial statements and consolidated annual financial statements**

BDO USA, LLP, was appointed as independent registered public accounting firm for the Company for the year ended December 31, 2022, and BDO AG Wirtschaftsprüfungsgesellschaft, Katharina-Heinroth-Ufer 1, 10787 Berlin, Germany was appointed as local statutory auditor for the financial statements and group auditor for the consolidated financial statements for the fiscal year 2022 and as auditor for any review of interim financial reports for the fiscal year 2022 and for any review of interim financial reports for the fiscal year 2023 issued before the 2023 Annual General Meeting. The auditor has audited the Company's statutory annual consolidated financial statements which were prepared in accordance with International Financial Reporting Standards („IFRS“), as issued by the International Accounting Standards Board (“IASB”), including bookkeeping. The auditor's report is unrestricted.

The Audit Committee was closely involved in the review process and informed on the current status of the review process and its results. By circular resolution, the Audit Committee approved the annual financial statements in accordance with the German Commercial Code (“HGB”) and the consolidated annual financial statements (in accordance with IFRS) as prepared by the managing directors, as well as the reports by BDO AG regarding the audit of

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the German annual financial statements (“HGB”) and the consolidated annual financial statements in accordance with IFRS IASB.

The Administrative Board was regularly informed by phone and by e-mail about the audit, the preparation of the annual financial statements including the status report for the financial year 2022 in accordance with German Commercial Code (“HGB”), and the consolidated annual financial statements including the consolidated status report for the financial year 2022 in accordance with IFRS for the 2022 financial year. The Administrative Board examined the annual financial statements for the financial year 2022 in accordance with the German Commercial Code, the consolidated annual financial statements for the financial year 2022 in accordance with IFRS, as well as the audit reports in detail and, after the final result of its examination, no objections were raised. The Administrative Board approved the consolidated financial statements in accordance with IFRS on June 21, 2023 and the annual financial statements of the Company in accordance with the German Commercial Code on June 21, 2023 in accordance with Section 47 (5) SEAG.

**Personnel changes on the Administrative Board**

At the annual general meeting on August 31, 2022, Ms. Colleen Birdnow Brown, Mr. Bradley J. Goldberg, Ms. Chelsea Grayson, Mr. Joe Whitters, Michael McConnell, Bangaly Kaba, Ulrike Handel and Mr. Eric Eichmann were reelected as members of the Administrative Board until the annual general meeting deciding on the discharge for the 2022 financial year, but no longer than for six years after the effective appointment of the respective member to the Administrative Board.

All new members of the Administrative Board are supported by the Company with an individualized introduction to their role and responsibilities as a member of the Company’s Administrative Board. As part of recurring governance, the whole Administrative Board is provided with a “refresher training” and an update on latest relevant regulatory requirements. Trainings are provided by the Company’s SEC Counsel and the Board Counsel who acts as an independent advisor to the Administrative Board. Updates on changed Capital Market Rules, filing obligations and best governance practices are provided by the Board Counsel on a regular basis.

The Administrative Board would like to thank the managing directors and all of the Spark group’s staff worldwide for their dedication in 2022.

**Berlin, June 2023**

**For the Administrative Board**

**Colleen Birdnow Brown**

**Chair of the Administrative Board**