UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
(Amendment 1)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2023
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____
Commission File Number 001-38252

Spark Networks SE
(Exact name of Registrant as specified in its Charter)

Germany	**N/A**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Kohlfurter Straße 41/43 **Berlin** **Germany**	**10999**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (+49) 30 868000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depository Shares each representing one-tenth of an ordinary share	LOV	The Nasdaq Stock Market, LLC
Ordinary shares, €1.00 nominal value per share*		

* Not for trading purposes, but only in connection with the registration of American Depository Shares pursuant to the requirements of the Securities and Exchange Commission.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of ordinary shares outstanding as of August 8, 2023 was 2,625,475.

EXPLANATORY NOTE

Spark Networks SE (the “Company,” “we,” “us” or “our”) is filing this Amendment No. 1 on Form 10-Q/A (this “Amendment No. 1”) to amend and restate certain portions of the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2023 filed with the U.S. Securities and Exchange Commission (the “SEC”) on August 14, 2023 (the “Original Report”).

The Company is filing this Amendment No. 1 to correct the second quarter of 2023 Adjusted EBITDA previously provided by the Company in the Original Report. Subsequent to the issuance of the Original Report, it was determined that certain line items in the reconciliation of Adjusted EBITDA guidance figures were misstated resulting in the overstatement of second quarter of 2023 Adjusted EBITDA guidance figures in Part I, Item 2, MD&A in the Original Report. The Adjusted EBITDA guidance figures and related reconciliation table have been corrected in Part I, Item 2, MD&A of this Amendment No. 1. This Amendment No. 1 is filed solely to correct this error, and no other changes have been made to the Original Report.

Items Amended in this Amendment No. 1

This Amendment No. 1 amends and restates the following items of the Original Report as of and for the fiscal quarter ended June 30, 2023:

- Part I — Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations
- Part II — Item 6. Exhibits

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Amendment No. 1 includes new certifications specified in Rule 13a-14 under the Exchange Act, from the Company’s Chief Executive Officer and Chief Financial Officer dated as of the date of this Amendment No. 1.

Pursuant to Rule 12b-15 under the Exchange Act, this Amendment No. 1 contains only the items and exhibits to the Original Report that are being amended and restated, and unaffected items and exhibits are not included herein. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Report and with our filings with the SEC made after the Original Report, including any amendment to those filings. This Amendment No. 1 continues to describe the conditions as of the date of the Original Report and, except as contained herein, we have not updated or modified the disclosures contained in the Original Report to reflect any events that have occurred after the Original Report. Accordingly, forward-looking statements included in this Amendment No. 1 may represent management’s views as of the Original Report and should not be assumed to be accurate as of any date thereafter.

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PART I

Financial Information

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This section and other parts of this Quarterly Report on Form 10-Q ("Form 10-Q") contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements can be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and the Company’s actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 ("2022 Form 10-K") under the heading "Risk Factors." The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law. Except the context clearly indicates otherwise, the terms “the Company,” “Spark Networks,” “we,” “us” or “our” refer to Spark Networks SE and its consolidated subsidiaries.

Overview

We are a leader in social dating platforms for meaningful relationships focusing on the 40+ age demographic and faith-based affiliations. Since our inception, we have had 116 million users register with our dating platforms (which includes inactive accounts). We currently operate one or more of our brands worldwide.

We intend to expand our presence in North America through significant marketing investment in this region as we look to drive both organic growth of our existing brand portfolio and expansion through the launch of new or acquired brands. We intend to incorporate more social features in our products with content, community, and social discovery functionality to allow our users to meet in more informal ways and to provide new ways to date online. Our portfolio of strong brands positions us to deliver a superior user experience to our customers and drive long-term value to shareholders.

Our ability to compete effectively will depend upon our ability to address the needs of our members and paying subscribers, on the timely introduction and performance of innovative features and services associated with our brands, and our ability to respond to services and features introduced by competitors. We must also achieve these objectives within the parameters of our consolidated and operating segment profitability targets. We are focused on enhancing and augmenting our portfolio of services while also continuing to improve the efficiency and effectiveness of our operations.

In June of 2022 the Company began a process of reviewing strategic alternatives. As part of this process, the Company considered a wide range of options including a potential sale, merger or other strategic transaction, while continuing to operate as a public, independent company. On July 11 2023, the Company announced that it had concluded the process and intended to continue as a public, independent company. We have now begun a transition plan (the "Transition Plan") and have worked closely with Ankura Consulting to create a new roadmap that includes a five-phase plan intended to be put in place over the next 18-24 months. Phase one is focused on the outsourcing of key functions to third-party providers which we have already begun through our performance marketing efforts. Phase two is dedicated to the completion of the critical projects we know are priorities, including the development and deployment of a series of mobile apps for our brands. In the third phase we plan to focus on fixing significant issues, highlighted by platform consolidation and consolidated data, reporting, and analytics. In phase four, we plan on modernizing our matching algorithm to help us compete more effectively in the online dating market. And finally phase five is all about positioning Spark for growth which includes embracing a contemporary customer segmentation strategy and approach.

Overall, we expect the Transition Plan will ultimately result in a smaller, nimbler employee base, provide operational flexibility, a lower and more variable cost structure, and a significantly more efficient and effective performance marketing program. The plan was developed on a detailed, bottoms-up, zero-based basis, and is supported by extensive analysis, historical data, and third-party validation. By focusing on the long-term reduction of costs and the simplification of our operating structure, the plan is designed to be executable, reasonably achievable, and measurable.

Operations Overview

We offer services both via websites and mobile applications and utilize a "subscription" business model, where certain basic functionalities are provided free of charge, while providing premium features (such as interacting with other community members via messages) only to paying subscribers. We generate revenues primarily through paid membership subscriptions. We manage our operations through one reportable segment.

Foreign Currency Exchange and Inflation Risks

In addition to operating in the United States ("U.S."), we also operate in various markets outside the U.S., primarily in various jurisdictions within the European Union ("EU"), and as a result, are exposed to foreign exchange risk for the Euro, U.S. dollar, British pound, Australian dollar and Canadian dollar. Financial statements of subsidiaries outside the U.S. are generally measured using the local currency as the functional currency. We translate revenue generated outside the U.S. (the "non-U.S. revenue") into U.S. dollar-denominated operating results and during periods of a strengthening U.S. dollar, such revenue will be reduced when translated into U.S. dollars. In addition, as foreign currency exchange rates fluctuate, the translation of the non-U.S. revenue into U.S. dollar-denominated operating results affects the period-over-period comparability of such results and can result in foreign currency exchange gains or losses. During the six months ended June 30, 2023, 29.6% of our total revenue was non-U.S. revenue. The average U.S. dollar versus Euro exchange rate was 2.2% lower and 1.1% higher, respectively, during the three months and six months ended June 30, 2023 compared to the same periods prior year. The strengthening in U.S. dollar against other major currencies has partially resulted in the decreases in our total revenue for the current periods. Historically, we have not hedged any foreign currency exposures. If the U.S. dollar continues strengthening against the Euro and other foreign currencies, our revenue earned in, and our exposure to exchange rate fluctuations and as a result such fluctuations could adversely affect our future results of operations.

We believe that any effect of inflation at current levels will be minimal. Inflation has increased during the periods covered by this Quarterly Report, and is expected to continue to increase for the near future. Inflationary factors, such as increases in customer acquisition costs, interest rates and overhead costs may adversely affect our operating results. Historically, we have been able to increase prices at a rate equal to or greater than that of inflation; with rising inflation rates, however, there is no assurance we will continue to be able to do so in the foreseeable future. In addition, we have been able to maintain a relatively stable variable cost structure for our products due, in part, to a continued optimization of marketing spend. We do not believe that inflation has had a material impact on our financial position or results of operations to date, we may experience some effect in the future, especially if inflation rates continue to rise.

Key Business Metrics

We regularly review certain operating metrics in order to evaluate the effectiveness of our operating strategies and monitor the financial performance of the business. The key business metrics that we utilize include the following:

Total Registrations

Total registrations are defined as the total number of new members registering to our platforms with their email address. Those include members who enter into premium subscriptions and free memberships.

Average Paying Subscribers

Paying subscribers are defined as individuals who have paid a monthly fee for access to premium services, which include, among others, unlimited communication with other registered users, access to user profile pictures and enhanced search functionality. Average paying subscribers for each month are calculated as the sum of the paying subscribers at the beginning and the end of the month, divided by two. Average paying subscribers for periods longer than one month are calculated as the sum of the average paying subscribers for each month, divided by the number of months in such period.

Monthly Average Revenue Per User ("ARPU")

Monthly ARPU represents the total net subscriber revenue for the period divided by the number of average paying subscribers for the period, divided by the number of months in the period.

Contribution

Contribution is defined as revenue, net of refunds and credit card chargebacks, less direct marketing.

Direct Marketing

Direct Marketing is defined as online and offline advertising spend and is included within Cost of revenue, exclusive of depreciation and amortization within our Condensed Consolidated Statements of Operations and Comprehensive Loss.

Unaudited selected statistical information regarding the key business metrics described above is shown in the table below:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	**2022**	**Change**	**% Change**	**2023**	**2022**	**Change**	**% Change**
Registrations	1,990,719	3,115,984	(1,125,264)	(36.1)%	4,251,958	6,066,123	(1,814,165)	(29.9)%
Average Paying Subscribers	636,502	795,284	(158,782)	(20.0)%	651,152	801,449	(150,297)	(18.8)%
Total Monthly ARPU	$ 21.58	$ 20.13	$ 1.45	7.2 %	$ 21.13	$ 20.37	$ 0.76	3.7 %

	Three Months Ended June 30,				Six Months Ended June 30,			
(in thousands)	**2023**	**2022**	**Change**	**% Change**	**2023**	**2022**	**Change**	**% Change**
Net Revenue	$ 41,202	$ 48,035	$ (6,833)	(14.2)%	$ 82,541	$ 97,942	$ (15,401)	(15.7)%
Direct Marketing	17,126	29,995	(12,869)	(42.9)%	38,743	57,691	(18,948)	(32.8)%
Contribution	$ 24,076	$ 18,040	$ 6,036	33.5 %	$ 43,798	$ 40,251	$ 3,547	8.8 %

During the quarter ended June 30, 2023, the Company revised certain business metrics which resulted in a change to the prior period metrics disclosed for the three and six months ended June 30, 2022. The Company revised its definition of registrations at EliteSingles and SilverSingles brands to property align with the Company's other brands' definitions of a new member. Additionally, upon conducting a review of the Company's business intelligence systems, the Company updated its count of historical average paying subscribers to properly remove certain refunded and inactive subscribers from the paying subscriber count.

During the three and six months ended June 30, 2023, new members registered to our platforms decreased by 1.1 million, or 36.1%, and 1.8 million, or 29.9%, respectively, compared to the same periods in 2022. The decreases were primarily driven by the reduction in marketing spend.

Average paying subscribers during the three and six months ended June 30, 2023 also decreased by less than 0.2 million, or 20.0%, and 0.2 million, or 18.8%, respectively, compared to the same periods in 2022 which was also driven by the reduction in marketing spend.

Monthly ARPU for the three and six months ended June 30, 2023 increased by 7.2% and 3.7%, respectively, compared to the same periods in 2022.

Results of Operations

The following table shows our results of operations for the periods presented. The period-over-period comparison of our historical results are not necessarily indicative of the results that may be expected in the future.

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	$ Change	% Change
Revenue	$ 41,202	$ 48,035	$ (6,833)	(14.2)%
Operating costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization	22,790	36,356	(13,566)	(37.3)%
Other operating expenses	18,920	14,520	4,400	30.3 %
Depreciation and amortization	625	577	48	8.3 %
Impairment of intangible assets	21,847	—	21,847	100.0 %
Total operating costs and expenses	64,182	51,453	12,729	24.7 %
Operating loss	(22,980)	(3,418)	(19,562)	572.3 %
Other income (expense):				
Interest income	7	—	7	100.0 %
Interest expense	(4,065)	(2,706)	(1,359)	50.2 %
Gain (Loss) on foreign currency transactions	(216)	(2,441)	2,225	(91.2)%
Other income (expense)	276	(3)	279	(9300.0)%
Total other expense, net	(3,998)	(5,150)	1,152	(22.4)%
Loss before income taxes	(26,978)	(8,568)	(18,410)	214.9 %
Income tax benefit (expense)	52	(193)	245	(126.9)%
Net loss	$ (26,926)	$ (8,761)	$ (18,165)	207.3 %

(in thousands)	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	$ Change	% Change
Revenue	$ 82,541	$ 97,942	$ (15,401)	(15.7)%
Operating costs and expenses:				
Cost of revenue, exclusive of depreciation and amortization	50,082	70,602	(20,520)	(29.1)%
Other operating expenses	32,426	29,955	2,471	8.2 %
Depreciation and amortization	1,243	1,180	63	5.3 %
Impairment of intangible assets	22,947	—	22,947	100.0 %
Total operating costs and expenses	106,698	101,737	4,961	4.9 %
Operating loss	(24,157)	(3,795)	(20,362)	536.5 %
Other income (expense):				
Interest income	47	—	47	100.0 %
Interest expense	(7,922)	(9,588)	1,666	(17.4)%
Gain (Loss) on foreign currency transactions	464	(3,208)	3,672	(114.5)%
Other income	276	260	16	6.2 %
Total other expense, net	(7,135)	(12,536)	5,401	(43.1)%
Loss before income taxes	(31,292)	(16,331)	(14,961)	91.6 %
Income tax benefit (expense)	7	99	(92)	(92.9)%
Net loss	$ (31,285)	$ (16,232)	$ (15,053)	92.7 %

Comparison of Three and Six Months Ended June 30, 2023 and June 30, 2022

Revenue

Revenue during the three and six months ended June 30, 2023 decreased by $6.8 million, or 14.2%, and $15.4 million, or 15.7%, respectively, compared to the same periods in 2022. For the three and six months ended June 30, 2023, the decline in revenue was mainly attributable to the decrease in the number of average paying subscribers of 20.0% and 18.8%.

Cost of revenue, exclusive of depreciation and amortization

Cost of revenue, exclusive of depreciation and amortization consists primarily of direct marketing expenses, data center expenses, credit card fees and mobile application processing fees. Cost of revenue during the three and six months ended June 30, 2023 decreased by 13.6 million, or 37.3%, and $20.5 million, or 29.1%, respectively, compared to the same periods in 2022, The decreases were primarily due to a reduction in marketing spend. During the current period, the Company engaged Lamark Media Group to be a managed service provider to create performance marketing and ad campaigns on behalf of the Company, resulting in an overall decrease in marketing spend with less being spent on affiliate and legacy marketing partners.

Other operating expenses

Other operating expenses consists primarily of costs for sales and marketing, customer service, technical operations and development, and corporate functions. These costs include personnel, technology platform and system costs, third-party service and professional fees, occupancy and other overhead costs. Other operating expenses during the three and six months ended June 30, 2023 increased by $4.4 million, or 30.3%, and 2.5 million, or 8.2%, respectively, compared to the same periods in 2022. The increases were primarily driven by increases in severance, retention bonuses, and consulting and advisory fees.

Depreciation and amortization

Depreciation and amortization during the three and six months ended June 30, 2023 increased by $0.0 million, or 8.3%, and $0.1 million, or 5.3%, respectively, compared to the same periods in 2022. The slight increases were primarily driven by depreciation on newly capitalized software projects put into service after the quarter ended June 30, 2022.

Impairment of goodwill and intangible assets

Impairment of goodwill and intangible assets during the three and six months ended June 30, 2023 increased by $21.8 million, or 100.0%, and $22.9 million, or 100.0%, respectively, compared to the same periods in 2022. The increases were a result of an impairment triggering event identified during the quarter ended June 30, 2023 due to the Company further lowering its financial projections. This resulted in a goodwill impairment test for the Spark and Zoosk reporting unit, and an impairment test for the Zoosk tradename. Pursuant to the impairment tests, it was concluded that the Zoosk reporting unit was impaired by $20.7 million and the Zoosk tradename was impaired by $1.2 million See Note 4. *Goodwill and Intangible Assets* for further discussion on the impairment tests.

Other expense

Other expense, net, consist primarily of interest income and expenses, foreign exchange gains and losses, and other related finance costs. Other expenses, net, during the three months ended June 30, 2023 decreased by $1.2 million, or 22.4%, compared to the same period in 2022. Other expenses, net, during the six months ended June 30, 2023 decreased by $5.4 million, or 43.1%, compared to the same periods in 2022. The decreases were primarily driven by an increase in interest expense due to a higher effective interest rate as a result of Amendment No. 2 and Amendment No. 3 to the Financing Agreement which was offset by foreign currency transaction gains in the current period. See Note 6. *Debt* for further discussion of the debt amendment.

Income tax expense

Income tax benefit was $0.1 million for the three months ended June 30, 2023 compared to income tax expense of $0.2 million for the three months ended June 30, 2022, which reflects an effective tax rate of 0.2% and (2.3)%, respectively. Income tax benefit was $0.0 million for the six months ended June 30, 2023 compared to $0.1 million for the six months ended June 30, 2022, which reflects an effective tax rate of 0.0% and 0.6%, respectively. The changes in income tax provision were primarily driven by the Company benefiting from year-to-date losses in the U.S. jurisdiction.

See Note 3. *Income Taxes* in the Notes to the Condensed Consolidated Financial Statements included in Item 1 of this Form 10-Q for further discussion of income taxes.

Non-U.S. GAAP Financial Measures

We report our financial results in accordance with U.S. GAAP. However, management believes that certain non-U.S. GAAP financial measures provide users of our financial information with additional useful information in evaluating our performance.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-U.S. GAAP financial measure, is one of the primary metrics by which we evaluate the performance of our business, budget, forecast and compensate management. We believe this measure provides management and investors with a consistent view, period to period, of the core earnings generated from the ongoing operations and allows for greater transparency with respect to key metrics used by senior leadership in its financial and operational decision-making. We define Adjusted EBITDA as net earnings (loss) excluding interest expense, (gain) loss on foreign currency transactions, income tax (benefit) expense, depreciation and amortization, asset impairments, stock-based compensation expense, acquisition related costs and other costs. Adjusted EBITDA has inherent limitations in evaluating the performance of the Company, including, but not limited to the following:

- Adjusted EBITDA does not reflect the cash capital expenditures during the measurement period;
- Adjusted EBITDA does not reflect any changes in working capital requirements during the measurement period;
- Adjusted EBITDA does not reflect the cash tax payments during the measurement period; and
- Adjusted EBITDA may be calculated differently by other companies in our industry, thus limiting its value as a comparative measure.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income (loss) and our other U.S. GAAP results. The following table reconciles Net loss to Adjusted EBITDA for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Net loss	$ (26,926)	$ (8,761)	$ (31,285)	$ (16,232)
Interest expense	4,058	2,706	7,875	9,588
(Gain) loss on foreign currency transactions	216	2,441	(464)	3,208
Income tax (benefit) expense	(52)	193	(7)	(99)
Depreciation and amortization	625	577	1,243	1,180
Impairment of intangible assets	21,847	—	22,947	—
Stock-based compensation expense	251	490	424	992
Other costs[(1)]	5,433	614	7,084	636
Adjusted EBITDA	**$ 5,452**	**$ (1,740)**	**$ 7,817**	**$ (727)**

[(1)] Includes consulting and advisory fees related to special projects, CFO severance fees, and retention bonuses

Liquidity and Capital Resources

The Company's principal sources of liquidity are cash balances and cash flows from operations and borrowings. Our ongoing liquidity requirements arise primarily from working capital needs, research and development requirements and the debt service. In addition, we may use liquidity to fund acquisitions or make other investments. As of June 30, 2023, we had cash and cash equivalents of $5.7 million.

On March 11, 2022, the Company completed the successful refinancing of its existing term and revolving facility with borrowings under the Financing Agreement with MGG Investment Group LP, which provides more covenant flexibility and allows more resources to be invested into the business to drive growth. The Financing Agreement was previously amended on August 5, 2022 to, among other things, revise certain financial covenants related to quarterly testing of the Company's leverage ratio. As of June 30, 2023 and December 31, 2022, we had outstanding principal debt balance of $99.0 million and $100.0 million, respectively. See Note 6. *Debt* in the Notes to the Condensed Consolidated Financial Statements included in Item 1 of this Form 10-Q for further discussion of our debt.

The Company has generated losses from operations, incurred impairment charges to its Zoosk goodwill and intangible assets, and has a working capital deficiency. We have received a Forbearance Letter from our lender, MGG Investment Group LP, due to an Event of Default under our Financing Agreement. See Note 6. Long Term Debt in the Notes to the Unaudited Condensed Consolidated Financial Statements for further discussion regarding the financing agreement with MGG. Management’s plans in regards to these matters are discussed in Note 1. Basis of Presentation and Summary of Significant Accounting Policies to the Unaudited Condensed Consolidated Financial Statements.

Our future capital requirements and the adequacy of available funds will depend on many factors and those set forth in Part II, Item 1A "Risk Factors" of our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31,
2022 . We do not have any off-balance sheet arrangements as of June 30, 2023.

Cash Flows Information

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,		
(in thousands)	**2023**	**2022**	**$ Change**
Net cash (used in) provided by:			
Operating activities	$ (2,670)	$ (10,695)	$ 8,025
Investing activities	(1,393)	(1,268)	(125)
Financing activities	(1,250)	7,774	(9,024)
Net change in cash and cash equivalents and restricted cash	$ (5,313)	$ (4,189)	$ (1,124)

Operating Activities

Our cash flows from operating activities primarily include net loss adjusted for (i) non-cash items included in net loss, such as unrealized loss on foreign currency transactions, amortization of debt issuance costs and accretion of debt discounts, depreciation and amortization, impairment of goodwill and intangible assets, and stock-based compensation and (ii) changes in the balances of operating assets and liabilities.

Net cash used in operating activities was $2.7 million for the six months ended June 30, 2023, a decrease of $8.0 million compared to $10.7 million net cash used in operating activities during the same period in 2022. The decrease was primarily driven by a decrease in cash collected from our customers, and a decrease in payments to our vendors as a result of timing of payments.

Investing Activities

Our cash flows from investing activities primarily include development of internal-use software, and purchase of property and equipment.

Net cash used in investing activities was $1.4 million for the six months ended June 30, 2023, a decrease of $0.1 million compared to $1.3 million during the six months ended June 30, 2022. The decrease was primarily due to reduced capital expenditures on personnel and freelancers working on software development projects of $0.1 million during the six months ended June 30, 2023.

Financing Activities

Our cash flows from financing activities primarily include changes in debt.

Net cash used in financing activities was $1.3 million for the six months ended June 30, 2023, a decrease of $9.1 million compared to net cash provided by financing activities of $7.8 million during the same period in 2022. Net cash used in financing activities for the six months ended June 30, 2023 included $1.3 million repayment of debt. See Note 6. Debt for detail information. Net cash provided by financing activities for the six months ended June 30, 2022 included $97.8 million of net cash proceeds from the Term Loan, partially offset by the $85.6 million repayment of debt and the $0.9 million prepayment penalty under the existing Blue Torch Term Loan Facility, as well as $3.5 million of transaction costs paid to third parties in connection with the Term Loan.

Recent Accounting Pronouncements

See Note 1. *Basis of Presentation and Summary of Significant Accounting Policies* in the Notes to the Condensed Consolidated Financial Statements included in Part I. Item 1. of this Form 10-Q for a discussion of recently issued and adopted accounting standards.

Critical Accounting Policies and Estimates

Please refer to Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation, the "Critical Accounting Policies and Estimates" section of our 2022 Form 10-K for a full description of all of our critical accounting estimates. We believe there have been no new critical accounting policies and estimates, or material changes to our existing critical accounting policies and estimates during the six months ended June 30, 2023.

PART II
Other Information

Item 6. Exhibits

		Incorporated by Reference				
Exhibit Number	Description	Form	File No.	Exhibit Filing Date	Exhibit No.	Filed/Furnished Herewith
3.1	Spark Networks SE Amended Articles of Association, dated as of September 14, 2022.	8-K	001-38252	September 16, 2022	3.1	
3.2	Rules of Procedure for the Administrative Board of Spark Networks SE	10-K	001-38252	March 31, 2021	3.3	
4.1	Form of Specimen Certificate representing Ordinary Shares of Spark Networks SE	F-4/A	333-220610	September 29, 2017	4.1	
4.2	Form of American Depositary Receipt	F-6	333-220610	September 25, 2017	1	
10.1	Executive Director Service Agreement, by and between Spark Networks SE and Kristie Goodgion, effective as of April 14, 2023.	8-K	001-38252	April 13, 2023	10.1	
10.2	Employment Agreement by and between Spark Networks SE and Kristie Goodgion, effective as of April 13, 2023	8-K	001-38252	April 13, 2023	10.2	
10.3	Resignation Agreement, by and between Chelsea A. Grayson and Spark Networks SE and Spark Networks, Inc., dated as of July 7, 2023.	8-K	001-38252	July 11, 2023	10.1	
10.4	Amendment No. 8 to Forbearance Agreement dated as of August 11, 2023, by and among Spark Networks SE, Zoosk, Inc., Spark Networks, Inc. and MGG Investment Group LP	8-K	001-38252	August 14, 2023	10.1	
10.5	Amendment No. 7 to Forbearance Agreement dated as of August 4, 2023, by and among Spark Networks SE, Zoosk, Inc., Spark Networks, Inc. and MGG Investment Group LP	8-K	001-38252	August 7, 2023	10.1	
10.6	Amendment No. 6 to Forbearance Agreement dated as of July 28, 2023, by and among Spark Networks SE, Zoosk, Inc., Spark Networks, Inc. and MGG Investment Group LP	8-K	001-38252	July 28, 2023	10.1	
10.7	Amendment No. 5 to Forbearance Agreement dated as of July 21, 2023, by and among Spark Networks SE, Zoosk, Inc., Spark Networks, Inc. and MGG Investment Group LP	8-K	001-38252	July 24, 2023	10.1	
10.8	Amendment No. 4 to Forbearance Agreement dated as of July 14, 2023, by and among Spark Networks SE, Zoosk, Inc., Spark Networks, Inc. and MGG Investment Group LP	8-K	001-38252	July 17, 2023	10.1	

10.9	Amendment No. 3 to Forbearance Agreement, by and among Spark Networks SE, Zoosk, Inc., Spark Networks, Inc. and MGG Investment Group LP, dated as of June 15, 2023.	8-K	001-38252	June 22, 2023	10.1	
10.10	Amendment No. 2 to Forbearance Agreement, by and among Spark Networks SE, Zoosk, Inc., Spark Networks, Inc. and MGG Investment Group LP, dated as of May 25, 2023.	8-K	001-38252	May 26, 2023	10.1	
10.11	Amendment No.1 to Financing Agreement, dated as of August 5, 2022, between Spark Networks SE, Zoosk, Inc., Spark Networks, Inc. and MGG Investment Group LP.	8-K	001-38252	August 9, 2022	10.1	
31.1	Certification of Principal Executive Officer pursuant to rules 13a-14(a) and 15d-14(a) under the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to rules 13a-14(a) and 15d-14(a) under the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**					X
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**					X
101.1	The following financial statements from the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, formatted in Extensible Business Reporting Language ("XBRL"): • unaudited condensed consolidated balance sheets; • unaudited condensed consolidated statements of operations and comprehensive loss; • unaudited condensed consolidated statements of shareholders' equity; • unaudited condensed consolidated statement of cash flows; and • notes to unaudited condensed consolidated financial statements.					X
104	Cover Page Interactive Data File – the cover page from this Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, is formatted in Inline XBRL and contained in Exhibit 101.1					

** *The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Spark Networks SE

Date: August 23, 2023

By: /s/ Colleen Brown
Colleen Brown
Managing Director and Interim Chief Executive Officer
(Principal Executive Officer)

Date: August 23, 2023

By: /s/ Kristie Goodgion
Kristie Goodgion
Managing Director and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

Form of Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Colleen Birdnow Brown, certify that:

have reviewed this Quarterly Report on Form 10-Q/A of Spark Networks SE;

ased on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

ased on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

he registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

he registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 23, 2023

By: /s/ Colleen Birdnow Brown
Colleen Birdnow Brown
Interim Chief Executive Officer

Exhibit 31.2

Form of Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kristie Goodgion, certify that:

have reviewed this Quarterly Report on Form 10-Q/A of Spark Networks SE;

ased on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

ased on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

he registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

he registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 23, 2023	By: /s/ Kristie Goodgion
	Kristie Goodgion
	Chief Financial Officer

Exhibit 32.1

Form of Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Spark Networks SE (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2023 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 23, 2023	By: /s/ Colleen Birdnow Brown
	Colleen Birdnow Brown
	Interim Chief Executive Officer

Exhibit 32.2

Form of Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Spark Networks SE (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2023 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 23, 2023	By: /s/ Kristie Goodgion
	Kristie Goodgion
	Chief Financial Officer