

MARLEY SPOON

Investor Newsletter - August 2022



Message from the CEO

Dear Shareholders,

Jennifer, Rolf and I were fortunate to meet with some of you during our recent Australian roadshow, reviewing our Q2 results and our 3-tier growth strategy.

On my first trip down under in over two years, I got a real taste of life coming back to normal with travel and socialising being much more open. We also got to spend quality time with the Aussie team, taste some of the new delicious **premium recipes** and visit our recently **SQF certified Sydney fulfillment**



centre in Wetherill Park - a globally recognised certification that highlights our commitment to food safety.

We achieved strong Q2 and H1 2022 results, putting us on track to deliver full year guidance. Our recently released H1 2022 highlights included net revenue of €212m for the period, growing +34% vs. the previous year and a 27.2% global contribution margin. Despite various headwinds that materialised this year, our results and our outlook allow us to reconfirm our full year guidance which we provided at the beginning of the year.

As the year continues, we are committed to continue executing our 3-tier growth strategy (new customers, increased AOV and increased revenue from Chefgood) while managing costs and capital with discipline.

- Fabian Siegel

Q2 & H1 2022 Highlights

- Q2 2022 net revenue at €109m, +35% growth year-over-year (+25% growth in constant currency)
- H1 2022 net revenue of €212m, +34% growth year-over-year (+26% growth in constant currency)
- Global Contribution Margin (CM) in Q2 at 27.2%, a 50 basis point (bp) improvement vs. the prior corresponding period (PCP)
- Q2 Operating EBITDA loss of €(3.0)m^[1], a sequential improvement vs. Q1 2022, with both the US and Australia delivering a profitable quarter
- Operating Cash Flow at €(5.3)m and quarter end cash balance of €29m providing balance sheet capacity to continue executing 2022 plans
- On track to deliver full year 2022 guidance; Operating EBITDA expected at break even for H2 2022

Get up to speed on our results and growth strategy from Fabian as he discusses this in an interview with **ausbiz**, Australia's dedicated business and finance channel [here](#).

You can read the full Q2 report [here](#) and the H1 report [through this link](#).

^[1]This result excludes the impact of one-time charges stemming from a) €0.4m in severance costs and b) €0.5m for a historical sales tax correction in the US

Sustainability

Renewable Energy Goal

We're passionate about doing our part every day to minimise food waste and create a more sustainable company.

Reducing our carbon footprint is a key step in our efforts to combat the climate crisis. One way we're reducing our emissions is by accelerating the transition to renewable energy, such that by the end of 2022 we aim to source 90% of our energy from renewable sources.

We're delighted our continued efforts put us on track to deliver our goal. Key highlights include:

- In 2021, we increased our renewable energy consumption by 104% compared to the previous year
- When we can't source or generate renewable energy, we work with programs and partners that support development with renewable energy credits

As we continue our efforts to help tackle climate change, we're undertaking a comprehensive review of the [TCFD recommendations](#) so that we may endeavor to adopt them as part of our 2022 Sustainability Report. This review will potentially highlight areas for improvement and strengthen how we manage climate risks and opportunities within our business.

Read more about our sustainability commitments and projects [here](#).

Food & Safety Deep Dive

Sydney Fulfillment Centre SQF Certification

We're excited to announce our Sydney fulfillment centre has been certified by Safe Quality Food (SQF), which is a [Global Food Safety Initiative](#), scoring



90% and recognising our commitment to food safety.

The SQF is a rigorous and credible food safety and quality program recognised by retailers, brand owners and food providers globally to ensure high food safety & quality standards are maintained.

The Global Food Safety Initiative (GFSI) was founded in 2001 by a group of 39 global retailers and manufacturers, and aims to provide 'safe food for people everywhere' creating a standardised auditing approach to raise food safety across the world.

You can read more about Safe Quality Food Certification [here](#).

Photo credit: Sydney Fulfillment Centre, Mike Chorley

MS Projects Across the Globe

Spoons on Wheels

In 2021, we launched Spoons on Wheels, our in-house logistics service which began in the Netherlands, then expanded into Germany due to growing demand and success.

Since launch, we've seen great results. We delivered our meals but also:

- Increased efficiency, allowing us to optimize routes, save costs and reduce carbon emissions
- Increased customer satisfaction and retention
- Helped our carbon footprint and the environment by reducing the use of diesel, insulation bags, and ice packs thanks to electric and refrigerated vehicle delivery

We're looking forward to enhancing our Spoons on Wheels offering, forming part of our growth strategy, across the globe to deliver more convenience, flexibility and a leading service to our customers - watch this space!



Say Hello To Our New Food And Wine Offering - Wine Store by Marley Spoon Australia

We know food and wine go hand in hand, which we saw as a great opportunity to expand our offerings and ways in which we delight our customers.

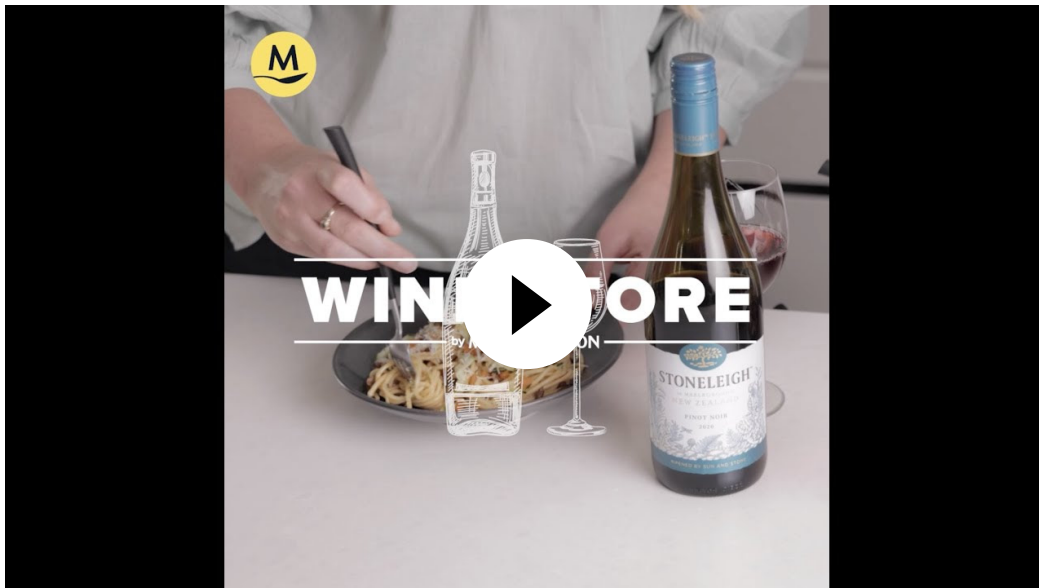
The Wine Store by Marley Spoon is a new service that allows Aussie customers to find perfectly paired wines to match their Marley Spoon recipes by simply filtering by cuisine,

protein or varietal to help navigate and find the ideal drop to enjoy with their meal.



To bring this new service to life, we joined forces with [Pernod Ricard Winemakers](#), tapping into their team of experts and impressive Australian and international wine portfolio to offer quality products and service our customers expect from us.

Head to <https://winestorebymarleyspoon.com.au/> for more information or read about it in this article from [Inside FMCG](#).



Now Serving: Premium Recipes

We're excited to increase our menu offering with new **premium recipes** across all markets.

Available to Marley Spoon and Dinnerly customers in the US, Australia and Europe, the new gourmet recipes give customers more premium proteins and options to increase serving size, aiming to provide our customers more choice as well as increasing basket size.

The new premium recipes officially launched a few weeks ago, and we're already seeing a customer appetite for the offering.



Our Team

Take 5 with Nasreen AbdulJaleel, our Chief Technology Officer



Give us a brief overview of your career to date?

My passion for tech started from an early age and led me to undertake an undergraduate and master's degree in Computer Science.

After college, my first role was in machine learning research at UMass Amherst, where I then moved over to the world of E-commerce working as a software developer at Amazon.com - a role in which my love for startups began. I then joined Appature Inc (now IMS Health) as a technical product manager then moved over to Expedia Group to lead global software development teams where I worked across numerous roles expanding my skills and learning from inspiring leaders across different domains. I loved working across functions to deliver value to customers in a complex industry, and as a self-proclaimed foodie -this then led me to my current role at Marley Spoon.

You've almost been with the team for a year, what have been some of your highlights?

A couple of months into my time at Marley Spoon, we implemented a V-Team structure which was a new working model for complex technology projects that required cross-functional collaboration. This team was made up of dedicated subject matter experts from each area building shared context quickly through daily standups, fast iterations and getting feedback immediately. This model allowed us to respond in real time to new information, make good decisions fast and to really support each other to launch new core capabilities like the Market and Premium Recipes over a period of a few months whereas a more siloed approach could have taken us over a year.

What excites you about tech?

It's thrilling to live in a time where tech is solving new problems every day. From life-saving and world-changing applications from the molecular level to the cosmic scale - it's exciting to wake up every day to see how tech has evolved over a 24 hour period.

What are some goals you are hoping to achieve?

Driving our business profitability has been a key focus since I joined the business last October and will continue to be. We've already seen some strong results in Q1 and Q2 thanks to new tech we've implemented. A few examples to call out include using real time data and automation to improve quality and efficiency in our production and box delivery, consolidating our intel and data sources to enable greater analysis and better acquisition costs as well as expanding our offerings across the group with Market and Premium Recipes.

As a leader, I'm passionate and dedicated to helping every member of our talented tech team grow as individuals. One of my goals is to ensure that they all have the business context they need to feel empowered to pursue creative ideas that make us a billion dollar company leveraging their skills and knowledge of our business.

What business areas are you keen to explore?

Now that I have been here for about a year, I have a deeper understanding of the drivers of our business. There is huge potential for technology to drive down acquisition costs - data loops to improve the accuracy of our targeting, lightweight user interfaces that allow for rapid AB testing and machine learning to guide us on how much of a discount we should offer to each prospective customer. This will be an area of greater focus for me going forward.

As an e-commerce company with our own fulfillment centers, there are several areas of operations that could potentially benefit from automation including procurement, production, finance and customer care. I am keen to get to know more about these domains to understand how technology can support us to operate with higher quality and greater efficiency.

In Other News

- We're proud to have been selected as a finalist in the European Customer Centricity Awards, recognising our commitment to our customers. Chosen from over 180 entries, we're honoured to be amongst a list of leading brands. Read more about the Awards [here](#).

Stay Up To Date

Sign up to Marley Spoon investor email alerts for our latest announcements, financial results, presentations and newsletters [here](#)

Be sure to follow Marley Spoon on [LinkedIn](#)

Would you like an update on something more specific? Please get in touch with any areas of the business or topics you would like included in future issues via ir@marleyspoon.com.

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About Marley Spoon

Marley Spoon (MMM:ASX, GICS: Internet & Direct Marketing Retail) is a global direct-to-consumer brand company that is solving everyday recurring problems in delightful and sustainable ways.

Founded in 2014, Marley Spoon currently operates in three primary regions: Australia, United States and Europe (Austria, Belgium, Germany, Denmark, Sweden and the Netherlands). With Marley Spoon's meal-kits, you decide what to eat, when to eat, and leave behind the hassle of grocery shopping. To help make weeknights easier and dinners more delicious, our meal kits contain step-by-step recipes and pre-portioned seasonal ingredients to cook better, healthy meals for your loved ones.

As consumer behaviour moves towards valuing the convenience aspect of online ordering, Marley Spoon's global mission through its various brands, such as Marley Spoon, Martha Stewart & Marley Spoon, Dinnerly, and Chefgood is to help millions of people to enjoy easier, smarter and more sustainable lives.



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