



MARLEY SPOON

CEO'S ADDRESS 2021 ANNUAL GENERAL MEETING

Dear Fellow Shareholders,

I am delighted to address you at our annual general meeting.

2020 was a year of crisis that impacted all of us in profound ways. I am proud to report that while facing the global climate challenges and Covid-19 pandemic, our company responded by coming together in a shared ambition of continuing to do what we do best: solving customers' everyday cooking problems. Through these stressful times, Marley Spoon supported its consumers, employees, suppliers and communities.

2020 was also a pivotal year for Marley Spoon with massive growth, which enabled us to achieve the required scale to become profitable for the first time in Q2 2020, which we sustained in Q3 and Q4. During the pandemic the benefits of our convenient and competitively priced alternative to shopping in grocery stores drove a step change in demand with more customers shifting a substantial portion of their monthly grocery spending to our online, meal kit offerings.

This step change in consumer behaviour was evidenced in our FY2020 financial performance. We reported revenue of €254 million for the year, a doubling of our business at 101% versus the previous corresponding period (PCP) on a constant currency basis. The growth was driven by all regions with the US leading at 133% constant currency growth compared to the PCP.

We also saw unit economics improve in 2020 with the customer acquisition costs (CAC) payback rate improving to 4 months. This was primarily driven by lower acquisition costs, despite higher media costs in the second half of 2020. In order to take advantage of these favourable unit economics, the Company invested more heavily in marketing to continue building its base of Active Subscribers and recurring

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revenue. Nevertheless, marketing as a percentage of revenue improved by 11 percentage points YOY during FY2020.

Globally, Contribution Margin landed within the guidance range at 29% and up 4 percentage points compared to FY2019. Operating Contribution Margin (Operating CM), defined as CM excluding the impacts of marketing vouchers and fixed costs such as expenses relating to site leases, reached 37% in FY2020. The improved margin performance was achieved despite operational challenges related to COVID-19 throughout the year, particularly as it concerned staffing in the Company's manufacturing centres in the US and Europe.

Overall the Company delivered a breakeven Operating EBITDA of €(0.5) million, an improvement of €29.2 million compared to 2019, offsetting our continued investment into marketing and topline growth and pandemic-related operational headwinds. In addition, we generated positive operating cash flow for the full year of €4.4 million.

We successfully shipped over 45 million delightful, market fresh and easy to cook meals to thousands of existing loyal customers as well as a record number of new consumers. This growth was driven by existing subscribers increasing their order sizes and order frequency, but also by a consistent and sequential growth in satisfied subscribers over each quarter in 2020. All regions contributed to the growth. Given the early stage of the adoption of online shopping in our category we expect this growth trend to continue.

We also made progress in improving the quality of our offerings and service. The ongoing direct relationship with our customers and the individual data we collect about their recipe choices and food preferences allows us to continuously improve our service offering for each individual customer, which in turn further strengthens customer loyalty.

Our research data shows our customers want more choice to suit their individual taste preferences and circumstances. In 2020, we increased choice to 30 or more recipes per week for Marley Spoon and more than 20 per week for Dinnerly depending on the market. We plan further menu personalization throughout the coming year, providing a competitive advantage in the global meal kit segment.

Building on the foundations we laid in 2019, we were able to rapidly scale up production in all regions to meet the acceleration in demand. To support ongoing growth, we raised new capital, which along with the conversion of interest-bearing bonds to equity and the repayment of €6.8m in senior secured debt, strengthened our balance sheet and funded investments in additional capacity and process improvements.

We expanded cool room capacity in our manufacturing centres in Melbourne, New Jersey, Texas and the Netherlands. We launched a new manufacturing centre in Perth, and we began major expansion projects in California and Sydney where we expect to move to new large premises soon. In 2021 we will continue to invest in additional capacity to support the increasing customer demand and our growth ambitions.

Importantly, we also reaffirmed our commitment to sustainability. In 2020, we offset all direct corporate emissions enabling Marley Spoon to operate as a carbon neutral company for the first time. We continuously look for ways to reduce our carbon footprint. Whereas supermarkets contend with excessive food waste given the short shelf life of perishable items they have in stock, our made to order supply chain avoids food waste. Additionally, according to a University of Michigan study, cooking with a meal kit reduces greenhouse gas emissions on average by one-third, compared to traditional supermarkets.¹

While the Marley Spoon team is proud of what has been achieved in an unprecedented year, we see Marley Spoon still at the beginning of its journey. The switch from offline to online commerce has barely begun over the past 20 years in many segments. As a direct-to-consumer manufacturing business we are well positioned to benefit from the continuation of this trend.

To deliver on this growth potential, we intend to reinvest the majority of our profits for the foreseeable future into our business. We aspire to solve recurring, everyday consumer problems in a sustainable and personalized way, and we have a historic opportunity to build large and impactful service brands in some of the largest consumer markets in the world.

We would like to thank the team at Marley Spoon for their hard work and commitment, our consumers and suppliers for their trust and our shareholders for their continued support.

Fabian Siegel

Founder & CEO

11 June 2021

This announcement has been authorised for release to ASX by the Board of Directors of Marley Spoon AG. ENDS

About Marley Spoon

Marley Spoon (ASX:MMM, 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, and Dinnerly, is to help millions of people to enjoy easier, smarter and more sustainable lives.

¹ Brent R. Heard, Mayur Bandekar, Benjamin Vassar, Shelie A. Miller, Comparison of life cycle environmental impacts from meal kits and grocery store meals, Resources, Conservation and Recycling, Volume 147, 2019