



MARLEY SPOON

MARLEY SPOON DELIVERS STRONG UPLIFT IN US MARKET OPERATING PERFORMANCE

Appendix 4C – Q1 2019 Review & Business Update

Berlin, Sydney, 29 April 2019: Marley Spoon AG (“Marley Spoon” or the “Company” ASX: MMM), a leading global subscription-based meal kit provider, has released its Appendix 4C for the three-month period ending 31 March 2019 (“Q1 2019”) (unaudited).

HIGHLIGHTS

- Revenue growth across all geographies, up 56% globally Q1 2019 vs Q1 2018, led by the US with 107%
- Active customers increased 10% to ~190,000 from the end of 2018 on the back of seasonally strong acquisitions
- Strong improvement in US contribution margin to 21% due to productivity improvements and scaling benefits in purchasing – reaffirming guidance for contribution margin to reach mid to high 20s on a global basis in 2019
- Cash from operating activities continued to improve for 2nd consecutive quarter, cash balance remained stable in Q1 at ~€9 million
- Targeting lower losses for the remaining quarters of 2019 thanks to higher sales, improved margins, and reduced marketing spend
- Company continues to move towards operating EBITDA break-even by 2020. To support this, Management is actively working on both debt and equity options for additional funding and expects to close a transaction in Q2 2019

COMPANY INFORMATION:

Fabian Siegel, Marley Spoon CEO
fabian@marleyspoon.com

INVESTOR QUERIES:

Kyahn Williamson, WE Buchan
0401 018 828
marleyspoon@we-buchan.com



MARLEY SPOON

Q1 2019 BUSINESS UPDATE

Marley Spoon has reported net revenue of €29.5 million for Q1 2019, an increase of 56% on the previous corresponding quarter (PCP), Q1 2018. The US led the way again on the back of its successful two-brand strategy, with both Martha & Marley Spoon and Dinnerly strongly contributing to a 107% year-on-year (YOY) growth rate. The Australian and European segments grew 34% and 26%, respectively, compared to PCP.

Quarter-on-quarter (QOQ) growth was seasonally lower at 3% after 20% growth in Q4 2018. However, the Company expects this to accelerate again in Q2 2019 thanks to the increasing acquisition momentum throughout the 1st quarter. This is already reflected in the 10% increase in active customers to ~190,000 as of 31 March 2019.

Marley Spoon also delivered a strong improvement in contribution margin over the period, particularly in the US market where the contribution margin for Q1 2019 increased to 21% (versus 12% in CY 2018). This strong result was delivered as a result of productivity gains following the Company's US East Coast manufacturing centre relocation in October 2018, the successful transition into Marley Spoons new, much larger manufacturing centre in Texas (US) as well as continued scale benefits in purchasing. Marley Spoon maintains its guidance that contribution margin is expected to reach mid to high 20s on a global basis in 2019.

In order to further increase margins and manage cost, Marley Spoon consolidated its manufacturing centres in Europe in the 1st quarter, closing down the German site and transferring that volume to the Netherlands facility. Additionally, Marley Spoon set up a new global shared service facility in Portugal, to centralize its customer communication and sales teams. In addition to getting access to a new employee talent pool, this new site will also allow Marley Spoon to reduce cost.

Fabian Siegel, CEO of Marley Spoon said: "Q1 was a quarter where the Marley Spoon team was successfully delivering important improvements to the Marley Spoon infrastructure, from moving into a larger manufacturing centre in Texas, to consolidating our European manufacturing

COMPANY INFORMATION:

Fabian Siegel, Marley Spoon CEO
fabian@marleyspoon.com

INVESTOR QUERIES:

Kyahn Williamson, WE Buchan
0401 018 828
marleyspoon@we-buchan.com



MARLEY SPOON

centres, to opening a new shared service facility in Portugal, to rolling out 20 recipes for (Martha &) Marley Spoon in the US and NL, and adding more menu choices for Dinnerly in both the US and Australia.”

“While the team was delivering on all these structural improvements, we simultaneously made strong progress on the contribution margin in our US business, which allows us to reconfirm our contribution margin guidance for the year and thereby continue on our trajectory towards operating EBITDA break-even by 2020.”

CASH FLOW & FINANCING UPDATE

Cash flow used in operating activities improved €2.5 million to €(6.8) million in Q1 2019 (Q4 2018: €(9.3) million) despite seasonally higher marketing costs leading to a higher operating loss in Q1 FY2019. The Company was able to more than offset this through working capital improvements. This marked the second quarter in a row with improved operating cash flow (Q3 2018: €(11.2) million), and the Company expects this trend to continue going forward in 2019.

Cash flow used in investing activities increased to €(3.0) million due to investments into the new manufacturing centres in the US (both East coast and Texas) as well as next-generation automation equipment in its Netherlands manufacturing centre. The Company expects lower capital expenditures for the remainder of 2019 as the US site moves are completed in Q2 2019. Additionally, cash inflows from equipment leasing and financing agreements commenced late in Q1 2019, so a significant portion of go-forward manufacturing related equipment expenditures will be offset from a cash perspective.

Cash flow from financing was €10.0 million in Q1 2019 reflecting the impact of the €12 million in convertible bonds issued to US-based venture capital firm, Union Square Ventures and an existing non-related minority shareholder. Proceeds were received following the receipt of Marley Spoon shareholder approval in March 2019 and the key terms of the convertible bonds issued were set out in Marley Spoon’s Appendix 4C lodged with the ASX on 29 January 2019.

COMPANY INFORMATION:

Fabian Siegel, Marley Spoon CEO
fabian@marleyspoon.com

INVESTOR QUERIES:

Kyahn Williamson, WE Buchan
0401 018 828
marleyspoon@we-buchan.com



MARLEY SPOON

Additionally, and as previously communicated, on 20 February 2019 the Company has repaid €2.0 million of principal on the outstanding Moneda loan. An additional €1.0 million principal repayment is due on 31 August 2019 with the remaining €3.7 million principal outstanding payable upon loan maturity as at 30 April 2020.

Marley Spoon's closing cash balance as at 31 March 2019 was €8.8 million. Management is actively working on both debt and equity options for additional funding to support the move towards operating EBITDA breakeven by 2020 and expects to close a transaction in Q2 2019.

GUIDANCE UPDATE

The Company expects its operating cash burn to continue to improve in Q2 2019 as revenue and contribution margin grow, while marketing spend reduces in-line with normal seasonal trends. Marley Spoon re-affirms its prior guidance to reach a global contribution margin in the mid to high 20s in 2019 and profitability on an operating EBITDA basis by 2020.

INVESTOR CONFERENCE CALL

An investor conference call will be held at 9.30am AEST on Monday 29th April. Pre-registration links and dial in details have been released separately.

ENDS

COMPANY INFORMATION:

Fabian Siegel, Marley Spoon CEO
fabian@marleyspoon.com

INVESTOR QUERIES:

Kyahn Williamson, WE Buchan
0401 018 828
marleyspoon@we-buchan.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Marley Spoon AG

ABN

Not applicable

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter EUR'000	Year to date (three months) EUR'000
1. Cash flows from operating activities		
1.1 Receipts from customers	30,560	30,560
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(20,157)	(20,157)
(c) advertising and marketing	(9,878)	(9,878)
(d) leased assets ¹	284	284
(e) staff costs ¹	-	-
(f) administration and corporate costs	(7,365)	(7,365)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(267)	(267)
1.6 Income taxes paid	(2)	(2)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(6,824)	(6,824)

¹ Leased assets and staff costs allocated based on function to product manufacturing and operating costs, advertising and marketing, and administration and corporate costs.

Consolidated statement of cash flows	Current quarter EUR'000	Year to date (three months) EUR'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2,546)	(2,546)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(527)	(527)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(3,072)	(3,072)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	12,016	12,016
3.6 Repayment of borrowings	(2,017)	(2,017)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	9,999	9,999

Consolidated statement of cash flows	Current quarter EUR'000	Year to date (three months) EUR'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	8,643	8,643
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(6,847)	(6,847)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,072)	(3,072)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	9,999	9,999
4.5 Effect of movement in exchange rates on cash held	85	85
4.6 Cash and cash equivalents at end of quarter	8,831	8,831

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter EUR'000	Previous quarter EUR'000
5.1 Bank balances	8,831	8,831
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,831	8,831

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

**Current quarter
EUR'000**

(84)

-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Contracted salaries of Supervisory & Management Board members.

7. Payments to related entities of the entity and their associates	Current quarter EUR'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Not applicable

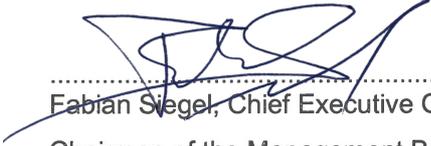
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end EUR'000	Amount drawn at quarter end EUR'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	EUR'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(24,710)
9.3 Advertising and marketing	(6,395)
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	(7,501)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(38,606)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here:  Date: 27/4/19
.....
Fabian Siegel, Chief Executive Officer,
Chairman of the Management Board and Co-Founder

Print name: FABIAN SIEGEL
.....

Sign here:  Date: 27/4/19
.....
Julian Lange, Chief Financial Officer,
Member of the Management Board

Print name: JULIAN LANGE
.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.