

MARLEY SPOON

MARLEY SPOON DELIVERS STRONG TOPLINE GROWTH TOGETHER WITH IMPROVED OPERATIONAL PERFORMANCE

Appendix 4C - Q2 2019 Review & Business Update

Berlin, Sydney, 31 July 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 30 June 2019 ("Q2 2019") (unaudited).

Q2 HIGHLIGHTS

- **Strong topline growth:** Global revenue was up 54% in Q2 2019 on the prior corresponding period (PCP), Q2 2018, with solid growth across all geographies, led by the US with +91%
- **Ongoing margin improvement:** Global contribution margin increased to 24% in the quarter, compared to 20% in Q2 2018, in line with the Company's guidance for a contribution margin in the mid to high 20s on a global basis in 2019
- **Australia profitable:** The Australian operations were profitable on an operating EBITDA basis in Q2 2019, while successfully rolling out the Company's new manufacturing technology, and entering into a strategic partnership with grocery chain Woolworths
- **Stronger balance sheet:** Marley Spoon secured ~€18 million in debt and equity funding as part of the Woolworths strategic partnership

Q2 2019 BUSINESS UPDATE

The operational performance of Marley Spoon continued to improve in Q2 2019 with an EBITDA loss of ~€5 million, compared to an EBITDA loss of ~€12 million in Q1 2019 and ~€8 million in the PCP. The lower loss was driven by higher sales and margin as well as seasonally lower marketing spend. There is typically more investment into new customer

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acquisition in Q1 and Q3 and lower spend in Q2 and Q4. This is in line with the Company's strategy for more measured growth to support its path to operating EBITDA profitability by 2020.

Global contribution margin (CM) increased to 24% in Q2 2019, up from 20% in the PCP. Over the past year, there was a significant improvement in the operational performance of the US business, with a CM of 21% in the first half of 2019, compared to 12% in CY2018 driven by savings in purchasing as well as labour productivity enhancements.

The Australian operations were profitable on an operating EBITDA basis for the first time in Q2 2019, on the back of strong topline growth of 47% compared to the PCP, and a continued high CM of 33%, stable compared to CY2018. Also in Q2 2019, the Company successfully rolled out new technology in its Melbourne and Sydney manufacturing centres, which will enable improved quality and labour productivity, as well as further increases in menu choices and personalization in the future.

"Reaching operating EBITDA profitability in Australia in Q2 for the first time and kicking off our strategic partnership with Woolworths in early Q3 are great achievements by our team, and a testament to the long-term viability of our business model", said Marley Spoon CEO Fabian Siegel.

Marley Spoon continues to be well positioned to benefit from the transition from offline to online grocery shopping. Global revenue of €32.0 million in Q2 2019 was up 54% on Q2 2018 revenue of €20.7 million and up 9% on Q1 2019 revenue of €29.4 million despite the much lower marketing spend in the quarter, highlighting the strength and importance of orders from repeat customers.

CASH FLOW & FINANCING UPDATE

Marley Spoon reported a cash balance of ~€11 million as at 30 June 2019, up from ~€9 million in Q1 2019, which reflects the ~€18 million in funding secured from Woolworths under a five year strategic partnership, partially offset by the repayment of the Moneda senior secured loan for ~€5.5 million. On the back of the debt repayment, management continues to actively work on additional debt funding options to support long term growth and the Company's path to profitability.

The operating cash outflow in Q2 2019 was €10.7 million, up from €6.8 million in Q1 2019 despite the significant improvement in operating losses in the quarter. The main driver for this was a €4.5 million decrease in accounts payable and accruals, which reflects the large decrease in marketing spend quarter over quarter.

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GUIDANCE CONFIRMATION

The Company reaffirms its previous guidance to reach a global CM% 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 9am AEST on Wednesday 31 July. Pre-registration links and dial in details have been released separately.

END

About Marley Spoon

Marley Spoon is a global subscription-based meal kit service that is bringing delightful, market fresh and easy cooking back to the people. Founded in 2014, Marley Spoon currently operates in three primary regions: Australia, United States and Europe (Austria, Belgium, Germany, and the Netherlands).

With Marley Spoon, 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, Marley Spoon creates meal kits that contain step-by-step recipes and pre-portioned seasonal ingredients to cook better, healthy meals with their loved ones.

As consumer behaviour moves towards valuing the convenience aspect of cooking, Marley Spoon's global mission through its three brands Marley Spoon, Martha & Marley Spoon, and Dinnerly, is to help millions of people to cook better and also live smarter by radically reducing food waste.

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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")

30 June 2019

Consolidated statement of cash flows	Current quarter EUR'000	Year to date (six months) EUR'000
1. Cash flows from operating activities		
1.1 Receipts from customers	31,766	62,327
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(23,642)	(44,379)
(c) advertising and marketing	(11,732)	(20,571)
(d) leased assets ¹	722	1,005
(e) staff costs ¹		
(f) administration and corporate costs	(7,486)	(15,311)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	10
1.5 Interest and other costs of finance paid	(244)	(511)
1.6 Income taxes paid	(130)	(132)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(10,738)	(17,562)

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 (six months) EUR'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(868)	(3,414)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(300)	(827)
(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	(1,168)	(4,241)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	2,548	2,548
3.2 Proceeds from issue of convertible notes	-	12,016
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(163)	(163)
3.5 Proceeds from borrowings	18,597	18,596
3.6 Repayment of borrowings	(7,215)	(9,231)
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	13,767	23,766

Consolidated statement of cash flows	Current quarter EUR'000	Year to date (six 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	8,831	8,643
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(10,738)	(17,562)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,168)	(4,241)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	13,767	23,766
4.5 Effect of movement in exchange rates on cash held	(88)	(2)
4.6 Cash and cash equivalents at end of quarter	10,604	10,604

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	10,604	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)	10,604	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	(23,894)
9.3 Advertising and marketing	(9,163)
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	(7,801)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(40,858)

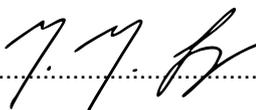
10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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: 31 July 2019

Print name: Fabian Siegel, Chief Executive Officer,
Chairman of the Management Board and Co-Founder

Sign here:  Date: 31 July 2019

Print name: Julian Lange, Chief Financial Officer,
Member of the Management Board

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.