



MARLEY SPOON SECURES ~A\$8M FUNDING DEAL

HIGHLIGHTS

- Woolworths Group and Union Square Ventures extend their current investment in Marley Spoon by ~A\$ 4 million (~€2.5 million) each, for a total amount of ~A\$8M.

Berlin, Sydney, 26 September 2019: Marley Spoon AG (“Marley Spoon” or the “Company” ASX: MMM), a leading global subscription-based meal kit provider, has announced today that it has approved structured debt transactions with two of its existing investors, amounting to ~A\$8 million (~€5 million) in aggregate.

Each of US based venture capital firm Union Square Ventures (“USV”), through two affiliated funds, and a subsidiary of Woolworths Group Limited (ASX: WOW, “Woolworths Group”), operator of Australia’s largest supermarket network, invests another ~A\$4 million (~€2.5 million). The respective investment structure essentially mirrors USV and Woolworths Group’s investments of earlier this year and is described in more detail below.

“We are happy to see the continued support of key investors and strategic partners in the ongoing growth of Marley Spoon. Consumers continue to discover our meal kit brands that offer a more convenient and sustainable way for weeknight cooking”, commented Fabian Siegel, co-founder & CEO. “Over the past few years the Marley Spoon team has built a A\$200,000,000 run-rate revenue business that continues to grow fast as consumers continue to switch from offline shopping to online meal-kits. We believe we are just witnessing the beginning of consumer adoption in our industry.”

Key Investment Terms USV

US\$ 2,776,487.50 (~A\$4 million, ~€2.5 million) will be provided by two funds affiliated with USV, initially in the form of a commercial loan facility. Subject to shareholder approval, the Company may elect to substitute the commercial loan facility for two non-pro rata convertible bond instruments under German law (*Wandelschuldverschreibungen*) (“USV Convertible Bonds”). The

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Company proposes to seek approval to issue the USV Convertible Bonds and to create corresponding conditional/authorised capital to enable the Company to issue CDIs on conversion of the USV Convertible Bonds at an extraordinary general meeting to be held in late 2019. If issued, the USV Convertible Bonds will have an aggregate nominal amount of US\$ 2,776,487.50 (~A\$4 million, ~€2.5 million) with a three-year term.

The key terms of the USV Convertible Bonds are expected to be as follows:

- Maturity Date - 3 years from the date of issue.
- Interest - US\$ LIBOR + 5% p.a. and payable at maturity unless the respective bond is converted.
- Conversion price of AU\$0.50 per CDI.
- Once fully issued, the USV Convertible Bonds can be converted by USV into an aggregate amount of up to approx. 8,170 shares / 8,170,000 CDIs (depending on the FX rate between US\$ and A\$ around the time of shareholder approval) in the Company at any time during the conversion period.
- Additional prepayment fee of US\$ 2,776,487.50 (~A\$4 million, ~€2.5 million) to be paid by the Company if, prior to conversion, the Company elects to terminate and redeem the USV Convertible Bonds in case a change of control occurs.

The commercial loan facility has a term of 3 years and bears interest at a fixed rate of 12% p.a. which will only become payable if the Company does not elect to substitute the loan for the USV Convertible Bonds described above. If the shareholder approval is not granted, the conditional/authorised capital is not created or the Company elects to not issue the USV Convertible Bonds, USV may declare the loan, together with accrued interest, immediately due and payable. If there is no conversion and a change of control in the Company occurs, an additional exit bonus of US\$ 2,776,487.50 (~A\$4 million, ~€2.5 million) is to be paid by the Company to USV.

Key Investment Terms Woolworths Group

The Company and Woolworths Group have approved a senior secured commercial loan agreement for a loan amount of A\$ 4,047,250 (~€2.5 million) ("Woolworths Group Loan Amount"). The loan has a term of six months and bears interest at a fixed rate of 7% p.a.

Subject to shareholder approval, the Company may elect to substitute the Woolworths Group Loan Amount for one non-pro rata, senior secured convertible note instrument under German law (*Wandelschuldverschreibung*) ("Woolworths Group Convertible Bond"). The Company proposes to seek shareholder approval to issue the Woolworths Group Convertible Bond and to create corresponding conditional/authorised capital to enable the Company to issue CDIs on conversion of the Woolworths Group Convertible Bond at an extraordinary general meeting to be held in late 2019. If issued, the Woolworths Group Convertible Bond will have a nominal amount of A\$ 4,047,250 (~€2.5 million) with a five-year term and bears interest at a fixed rate of 7% p.a, only payable if Woolworths Group redeems the note. Both the senior secured commercial loan and the Woolworths Group Convertible Bond, if issued, will be secured by a pledge over the shares in

Marley Spoon's Australian operating entity, a security interest over that entity's assets and a guarantee by that entity.

Woolworths may convert the Woolworths Group Convertible Bond to shares / CDIs under specific circumstances after two years from the issue date until the maturity of the Woolworths Group Convertible Bond. In the circumstances where on conversion the CDIs to be issued results in Woolworths Group holding greater than a 24.9% interest in the Company, then the Company can elect to settle the exceeding portion in cash rather than in CDIs.

Further details of the Woolworths Group Convertible Bond, including the methodology to determine the number of CDIs to be issued on conversion of the note, are outlined in the Appendix below.

Appendix: Woolworths Group Convertible Bond Conversion

On conversion of the Woolworths Group Convertible Bond, the number of CDIs to be issued to Woolworths will (subject to the Cap I and Cap II below) be calculated as follows ("Conversion Formula"):

$(A\$ 4,047,250 \times \text{"AustCo Growth Factor"}) / \text{"Conversion Price"}$.

If either of the following calculations results in a number of CDIs which is lower than the number of CDIs resulting from the application of the Conversion Formula, then the number of CDIs to be issued will be the lower number of CDIs calculated as follows:

$A\$ 4,047,250 / \text{"Issue Date Price"}$ ("Cap I")

$A\$ 4,047,250 / \text{AUD } 0.30$ ("Cap II")

However, in the event that the calculation of Cap I results in a lower number of CDIs than the lower of the number of CDIs resulting from the Conversion Formula and the calculation of Cap II, the Company is obliged to pay Woolworths Group an additional cash amount which is calculated as follows:

(a) In the event that that the number of CDIs resulting from the calculation of Cap II is higher than the number of CDIs resulting from the Conversion Formula: by multiplying (i) the result of the difference between the number of CDIs resulting from the Conversion Formula and the number of CDIs resulting from the calculation of Cap I with (ii) the Conversion Price.

(b) In the event that the number of CDIs resulting from the Conversion Formula is higher than the number of CDIs resulting from the calculation of Cap II: by multiplying (i) the result of the difference between the number of CDIs resulting from the calculation of Cap II and number of CDIs resulting from the calculation of Cap I with (ii) the Conversion Price.

In case of a conversion event where the CDIs to be issued on conversion would result in Woolworths Group holding greater than a 24.9% interest in the Company, then the Company can elect to settle the exceeding portion in cash rather than in CDIs.

If shareholder approval is not obtained, the Woolworths Group Convertible Bond will not be issued, and Woolworths may demand payment of the outstanding amount under the commercial loan.

ENDS

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.