



MARLEY SPOON

Marley Spoon to Acquire Australian Ready-to-Heat Meal Company Chefgood Financed by Debt and Equity Placement

Berlin, Sydney, 21 December 2021: Marley Spoon AG (“Marley Spoon” or the “Company” ASX: MMM), a global subscription-based meal kit provider, is pleased to announce that it has entered into an agreement to acquire Chefgood Pty Ltd (“Chefgood”), a Melbourne-based ready-to-heat meal provider.

Highlights

- Agreement to acquire 100% of the share capital of Chefgood for a total purchase price of up to AUD 21.0m (~EUR 13.3m), with additional earn-outs of up to ~AUD 5.6m (~EUR 3.6m) over the next 2.5 years based on achievement of revenue targets.
- The premium, ready-made meals company is operating at an ~AUD 26m net revenue run-rate (as of the 3-month period September-November 2021, which grew 137% y-o-y) and is generating positive EBITDA and Net Cash Flow.¹
- The acquisition would give Marley Spoon a foothold in a growing and complementary category and will allow the Company to leverage its operational, digital and customer assets, providing synergies for both companies
- The transaction is expected to be funded by an ~AUD 8m (EUR 5m) equity placement with a long-term oriented European institutional investor at A\$1.00 per CDI, a 43% premium to the last close, and an ~AUD 11m (USD 8.1 / ~EUR 7m) extension to the group’s existing debt facility with Runway Growth Capital.
- The acquisition of Chefgood is expected to complete in January 2022.

¹ Based on unaudited Chefgood management reports.

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Chefgood is a ready-to-heat meal provider with manufacturing capabilities in Melbourne. It offers more than 30 meals rotating every week across different subscription plans targeting healthy and weight-conscious consumers, and also offers a small range of add-on items. Chefgood's manufacturing capability enables it to deliver high-quality and highly rated meals to a growing customer base.

Adding Chefgood to its existing portfolio of brands (Martha Stewart & Marley Spoon, Marley Spoon, and Dinnerly), would enable Marley Spoon to address more customer segments and meal occasions, thereby expanding its addressable market. Cross-promotion and cross-selling are expected to increase basket size and engagement with minimal additional customer acquisition costs.

Chefgood is operating at an ~AUD 26m net revenue run-rate (as of the 3-month period September-November 2021, which grew 137% y-o-y) and is generating positive EBITDA and Net Cash Flow. Chefgood's contribution margin is expected to be modestly above Marley Spoon's Australian CM levels. Revenue and cost synergy opportunities have been identified across operations, supply chain, marketing, product development and digital execution. These savings are expected to begin to be delivered in 2022 and to lead to margin improvements for both businesses in Australia.

Rolf Weber, MD Australia, global Chief Operating Officer and member of the Management Board of Marley Spoon, states that he is looking forward to working with the Chefgood founder and CEO Michelle Sievwright and team to grow the brand and to serve Marley Spoon customers even more of what they want. "We are very excited to be partnering with Michelle and the Chefgood team since we share the same vision of making our customers' lives easier with easy, tasty, and high-quality meal solutions."

Michelle Sievwright has a strong focus on the customer experience and food quality. Michelle is committed to further growing the Chefgood brand over the coming years, noting: "We are all about healthy, tasty, honest food. Everyone at Chefgood is looking forward to working with Marley Spoon as we share their philosophy of delighting our customers."

Key Acquisition Terms

- Total purchase price of up to AUD 21m (~EUR 13.3m), payable in three tranches in January 2022 (at closing of the transaction) and in September 2022 and May 2023 based on FY 2022 (ending 30/6) revenue.²
- Earn-out payments in the aggregate of up to AUD 5.6m (~EUR 3.6m) due in September 2023 and 2024 based on FY 2023 and 2024 revenue, respectively.
- All payments to be paid in cash or scrip or a combination of both, at Marley Spoon's election to be determined prior to the relevant payment date.³

² Subject to post-completion working capital and net cash adjustments.

³ If the Company makes an election to pay any of the payment tranches in scrip, this will be notified to the market at the relevant time. If any scrip consideration is to be payable, the number of CDIs will be calculated based on the proportion of the relevant payment that the Company has elected to pay in scrip and calculated at the 30, or, in case of the payment at closing of the transaction, 60-day VWAP ending on the day prior to the relevant payment date.

- The acquisition is expected to close in January 2022 at which time the first payment tranche of AUD 10m (~EUR 6.3m), expected to be paid in cash, will become due.
- AUD ~19m in total funding secured through a combination of an ~AUD 8m (EUR 5m) equity placement of up to 7.907m CDIs with a European long-only institutional investor at AUD 1.00 per CDI (see separate Appendix 3B notice for details), expected to be completed in January 2022, and an AUD 11m (USD 8.1 / ~EUR 7m) extension to the group's existing debt facility with Runway Growth Capital, at the same commercial terms, expected to occur in late December 2021.
- The completion of the transaction and the debt facility funding are subject to customary conditions precedent.

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

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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, and Dinnerly, is to help millions of people to enjoy easier, smarter and more sustainable lives.

About Chefgood

Chefgood was founded by passionate foodies Michelle Sievwright and fine dining chef Susan McKay, who recognised the high demand for ready-made meal options and noticed a significant gap in the market for healthy options. Chefgood is the highest rating Australian, premium, ready-made meals business, offering customers convenient and delicious meal plans produced out of its facility in Melbourne, Australia. The founders believe convenience shouldn't trump health or taste, so Chefgood meals are always made with great ingredients, a sophisticated taste profile, and are designed to be everyday affordable.