

STRONG SALES PUT MARLEY SPOON ON TRACK TO MEET PROSPECTUS FORECAST 1H 2018 FINANCIAL RESULTS

HIGHLIGHTS

- 1H 2018 revenue up 99% on the prior corresponding period excluding FX impact to €39.5 million, with strong growth across all regions, particularly in Australia
- Margin improvement due to continued procurement scale benefits and higher labor productivity
- Operating EBITDA loss at ~€14 million, with Australian segment on track for operating EBITDA profitability in 2H 2018
- Operating cash flow ahead of earnings at ~€(9) million thanks to working capital improvements
- On track to meet prospectus forecast for 2018 (financial year ending 31 December 2018)

Berlin, Sydney, 29 August 2018: Marley Spoon AG ("Marley Spoon" or the "Company" ASX: MMM), a leading global meal kit provider, has grown its first-half revenue by 99% excluding the impact of foreign currency changes (86% on EUR basis).

Marley Spoon has confirmed it is on track to meet its prospectus forecast for the full 2018 calendar year, buoyed by a promising start to the seasonally strong third quarter on customer acquisitions.

The half-year results (for the period ending 30 June 2018) are the first financial results that Marley Spoon has reported since it has started trading on the Australian Securities Exchange on 2 July 2018.

For the six months ended 30 June 2018, Marley Spoon generated revenue of €39.5 million, up from €21.3 million in the prior corresponding period (1H 2017).

All regions - Australia, the US and Europe - showed strong revenue, order and active customers' growth, especially in Australia. Revenue generated in Australia surged by 140% to A\$23.7 million (€15.1 million) in 1H 2018. The segment is approaching profitability, narrowing its operating EBITDA loss to €1.2 million (excluding intercompany charges) and increasing its contribution margin to 33%, which is tracking ahead of the prospectus forecast.

The total number of active customers globally has grown from 59,000 at the end of 1H 2017 to 125,000 as of 30 June 2018, an increase of 112%.

One of the key features of the Marley Spoon business model is the attractive value that it can capture from each customer. This was confirmed in the recent results,

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which showed an improvement in contribution margin (net revenue minus cost of goods sold and fulfilment expenses) to 22%, up from 13% in the prior corresponding period.

The Company is benefiting from more favorable costs to source food and packaging as sales grow, and higher labor productivity in its manufacturing centres.

Customer acquisition costs (CACs) remained stable despite an overall increased investment in marketing. The Company expanded its presence in Australia and continued to roll out its Dinnerly brand, a lower-cost alternative to the original Marley Spoon meal kits, launched in the US about a year ago.

General and administrative expenses grew just 20% vs 1H 2017 as the Company added only incrementally to its team and structure, yielding a reduction of G&A as a percentage of sales from 45% to 29%.

The Company booked a first-half net loss of €19.4 million compared to €13.2 million a year earlier, and an adjusted operating EBITDA loss of €14.1 million for the first half, compared to a loss of €11.0 million a year earlier, primarily due to higher marketing and financing expenses (related to warrants issued in connection with a debt financing completed in January 2018). Operating EBITDA as % of sales improved from -52% in the first six months of 2017 to -36% in the comparable period of 2018.

Finally, the Company managed to improve its operating cash flow from €(9.9) million to €(9.3) million thanks to strong working capital performance across all key categories.

Marley Spoon chief executive officer and co-founder Fabian Siegel said the performance in the first half was in line with the Company's development over the last four years and reflects Marley Spoon's ongoing commitment to focus on generating customer value.

"We are now offering the most choice, with 20 dishes in two sizes after our pilot launch of a new manufacturing technology in Germany, which we are planning to roll out globally. At the same time, we are also making meal kits more accessible by launching our lower-price product, Dinnerly, in Australia", Mr Siegel said.

"The combination of strong topline growth driven by all regions, increasing margins, stable CACs, and moderate G&A increases gives us all the ingredients to continue on our journey towards profitability. The fact that our Australian operations are now reaching that point after only three years shows the potential of the meal kit business model."

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Mr Siegel said Marley Spoon has achieved a lot over the past years but reminded shareholders that it is still 'Day One' for the company in a new segment of the overall massive grocery market, which is just starting to go online.

He said that while many other consumer goods verticals have switched a large proportion of their sales from offline to online, the vast majority of groceries sales are still sold offline through traditional channels such as supermarkets.

"Marley Spoon so far has around 125,000 active customers, out of a total of 180 million households we can reach through our logistic partners across the three regions we operate in," Mr Siegel said.

INVESTOR CONFERENCE CALL DETAILS

An investor conference call will be held on Wednesday, 29 August 2018 at 9.15am AEST. If you have not already pre-registered for the call, you may join using the dial in details below.

Conference ID: 687179

Participant Dial-In Numbers

Australia Toll Free:	1 800 558 698
Australia Local:	02 9007 3187
New Zealand Toll Free:	0800 453 055
NZ Local:	09 929 1687
Belgium:	0800 72 111
Canada:	1855 8811 339
France:	0800 913 848
Germany:	0800 182 7617
Hong Kong:	800 966 806
Singapore:	800 101 2785
United Kingdom:	0800 051 8245
United States:	(855) 881 1339
US Local (New York):	(914) 202 3258

ENDS

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ABOUT MARLEY SPOON

Founded in 2014, Marley Spoon is a subscription-based weekly meal kit service that services customers in three primary regions: Australia, United States and Europe (servicing Austria, Belgium, Germany and the Netherlands). Since launch, Marley Spoon has delivered over 14.5 million individual meals and developed more than 9,000 recipes. As of 30 June 2018, Marley Spoon had over 125,000 active customers across both the Marley Spoon and Dinnerly brands.
