

MARLEY SPOON

MARLEY SPOON CONTINUES STRONG SALES GROWTH— LAUNCHES 20 RECIPES IN AUSTRALIA

Appendix 4C - 3Q 2018 Business & Guidance Update

Berlin, Sydney, 30 October 2018: Marley Spoon AG (“Marley Spoon” or the “Company” ASX: MMM), a leading global subscription-based meal kit provider, is releasing the following Appendix 4C for the three-month period ending 30 September 2018 (“Q3 2018”) (unaudited), and Business & Guidance Update.

HIGHLIGHTS

- Q3 net revenue grew to an all-time-high of €23.9 million, up 15% quarter-on-quarter
- Particularly strong revenue growth in US with 43% growth quarter-on-quarter
- 20 recipe options now launched in Australia
- Strong acquisition momentum at stable cost per acquisition (CAC), supporting continued revenue growth in following periods and facilitating the Company’s path to operating EBITDA profitability within the next 12 - 24 months
- The Company’s cash balance at 30 September 2018 was €17.7 million
- Additional debt funding on track to be finalised in the next three months; expected to support operations as the Company moves towards positive operating EBITDA

GUIDANCE UPDATE

- The Company re-confirms CY 2018 guidance on revenue and contribution margin and revises CY 2018 EBIT guidance to €32 - €34 million loss (up from €25 million) due to increased investment in marketing

COMPANY INFORMATION:

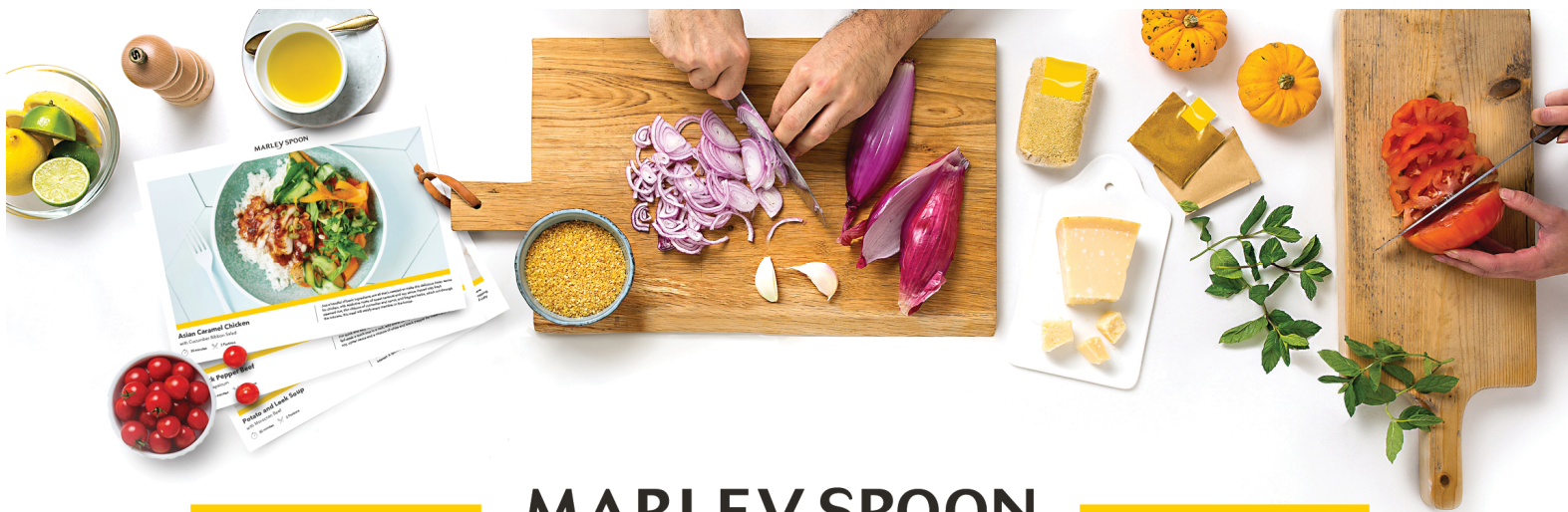
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Business update

Marley Spoon has reported net revenue of €23.9 million (€24.3 million on a constant currency basis) for the quarter ending 30 September 2018 (Q3 2018), continuing its strong sales momentum with a 15% quarter-on-quarter increase.

Sales in the US in particular have accelerated, increasing by 43% in Q3 2018 compared to Q2 2018, and rising by 117% compared to the previous corresponding period (PCP). This strong growth underlines the success of Marley Spoon's two-brand strategy in the US, consisting of "Martha & Marley Spoon" and "Dinnerly".

Revenues in Australia and Europe have continued to grow strongly as well and are up by 36% and 50%, respectively, on PCP on a constant currency basis. For the first nine months of 2018, global net revenue increased 85% on a constant currency basis year on year (76% on a reported currency basis).

Guidance update

With the strong performance in Q3 2018, Marley Spoon is confirming it is on track to achieve its prospectus revenue forecast of €93 million and meet prospectus targets for contribution margin and general & administrative expenses for the financial year ending 31 December 2018.

To capitalise on the strong sales momentum, the Company has decided to increase its investment in marketing to drive further customer acquisitions. Because of this, the Company is expecting to exceed the number of active customers at the end of the year compared to the number in the prospectus.

Consequently, the Company is revising its EBIT forecast from a loss of €25 million to a loss of €32-34 million in FY18. The additional marketing investment into new customers has been made to increase recurring revenue in following periods, solidifying Marley Spoon's 2019 growth profile and target projection to reach profitability within the next 12 to 24 months.

Globally by the end of Q3 2018, the number of active customers has grown from 81,000 to 173,000 - up 113% over the past 12 months. Total orders in the first nine months of the year have

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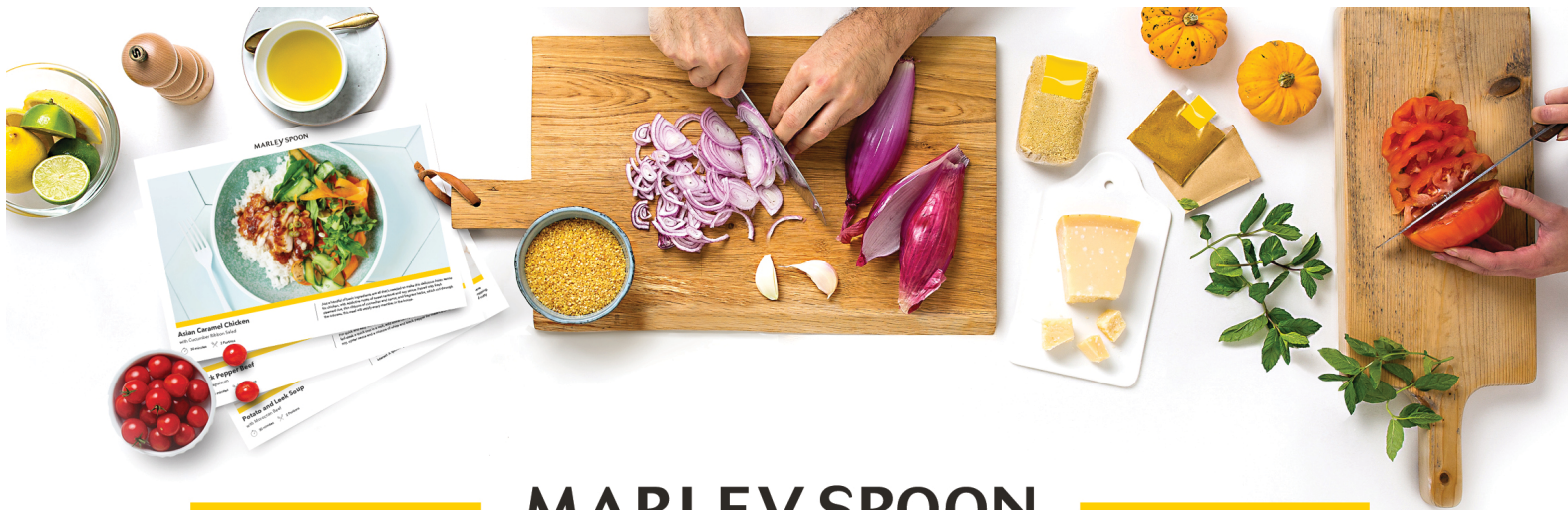
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grown to ~1.5 million from around 750,000 for the PCP. While the company was able to acquire more users in Q3 than in any other quarter before, the customer acquisition cost remained stable at €69 per customer.

“Marley Spoon continues to deliver strong top-line growth across all of our regions, especially in the US, at stable customer acquisition cost,” said Mr Siegel.

“We are in an exciting period where the customer acquisition momentum continues to grow strongly, and accordingly we decided to increase our investment into marketing to drive further revenue growth based on strong unit economics, as newly acquired customers generate repeat orders in future periods.”

Cash balance and cash flow

The Company’s cash balance at 30 September 2018 was €17.7 million.

During the quarter, the Company repaid €13 million of debt and related financing expenses, reducing its overall debt position to €7 million. Marley Spoon is currently in talks to refinance and replace this with a larger credit facility, which is to be finalised in the next three months and support operations as the Company is moving towards positive operating EBITDA.

The Company’s net operating cash outflow in Q3 was €11.1 million. To capitalise on the strong growth opportunity, particularly in the US, the Company lifted its marketing spend during the quarter to €10 million.

Operating cash flow is expected to improve in the fourth quarter as the marketing spend decreases - due to the Christmas and holiday season - and the impact of recent customer acquisitions flows through. Also, no further significant outlay for debt repayment is planned for 2018.

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20 menu choices launched in Australia

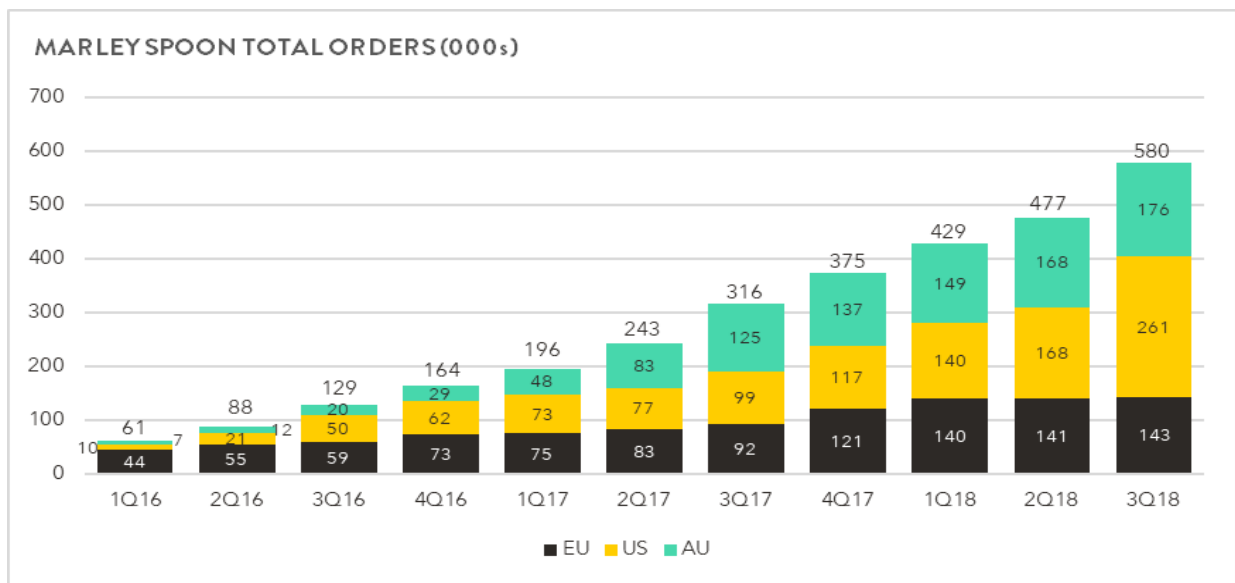
The launch of 20 menu choices in Germany at the end of Q2 has been welcomed by customers and is yielding encouraging results, which has led the Company to accelerate its global roll-out by bringing forward the roll-out of the 20 menu choices in Australia from 2019 to October 2018.

“Our main goal remains to delight our customers and provide them with a better alternative to the supermarket when it comes to weeknight cooking,” said Mr Siegel.

“We regard providing more choice an important step towards this goal. We are excited to be the leader in choice and flexibility within the meal kit category in Australia.”

Key Operating Metrics

The Company continues to experience strong quarter-on-quarter growth across its key operating metrics of total active customers and total orders.



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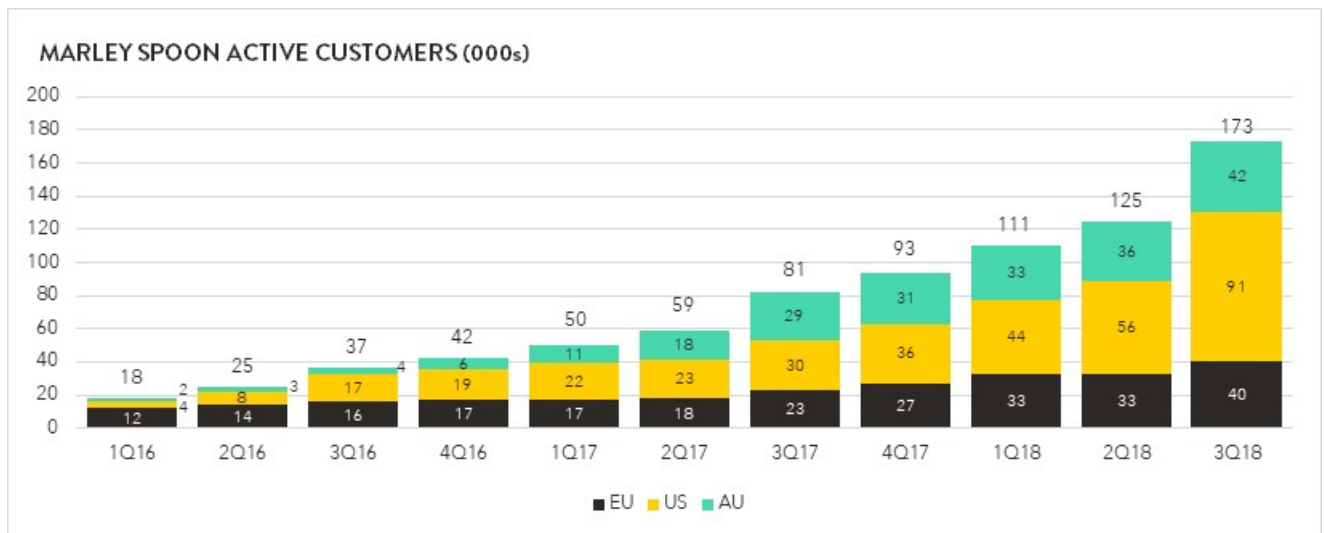
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Investor Conference Call

An investor conference call will be held at 9am AEDT on Wednesday 30 October.

If you have not already pre-registered for the call you may dial in with the following details:

Conference ID: 547853

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

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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

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). As of 30 September 2018, Marley Spoon had over 170,000 active customers across both the Marley Spoon and Dinnerly brands.

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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 September 2018

Consolidated statement of cash flows	Current quarter EUR'000	Year to date (nine months) EUR'000
1. Cash flows from operating activities		
1.1 Receipts from customers	24,200	63,867
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(18,366)	(46,547)
(c) advertising and marketing	(8,924)	(19,626)
(d) leased assets ¹	-	-
(e) staff costs ¹	-	-
(f) administration and corporate costs	(6,767)	(16,722)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	12
1.5 Interest and other costs of finance paid	(1,337)	(1,560)
1.6 Income taxes paid	(3)	(7)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(11,186)	(20,583)

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 (nine months) EUR'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(783)	(1,202)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(477)	(1,358)
(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	(1,260)	(2,560)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,259	44,345
3.2 Proceeds from issue of convertible notes	-	3,373
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(1,136)	(4,555)
3.5 Proceeds from borrowings	-	7,300
3.6 Repayment of borrowings	(11,944)	(12,112)
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	(9,821)	38,351

Consolidated statement of cash flows	Current quarter EUR'000	Year to date (nine 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	39,807	2,327
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(11,186)	(20,583)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,260)	(2,560)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(9,821)	38,351
4.5 Effect of movement in exchange rates on cash held	73	78
4.6 Cash and cash equivalents at end of quarter	17,613	17,613

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	17,613	39,807
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)	17,613	39,807

6. Payments to directors of the entity and their associates	Current quarter EUR'000
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	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Not applicable

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

Add notes as necessary for an understanding of the position

	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)	-	-

8.1 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.

Not applicable

9. Estimated cash outflows for next quarter

EUR'000

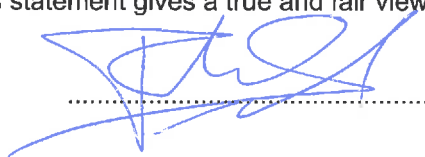
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(21,850)
9.3 Advertising and marketing	(8,133)
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	(6,032)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(36,015)

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.

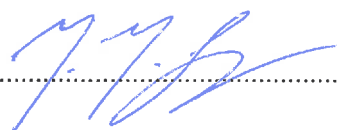
Sign here:



Date: 29 October 2018

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

Sign here:



Date: 29 October 2018

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.