

Marley Spoon AG

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Marley Spoon enters partnership with Australia's largest supermarket network Woolworths

Marley Spoon AG (ASX:MMM) has entered into a strategic partnership with Australia's largest supermarket network Woolworths Group Limited (ASX:WOW) for its home delivered meal kits.

This partnership will see Woolworths investing \$30.05 million in Marley Spoon comprising debt and equity to grow the Marley Spoon brand as well as Dinnerly, Marley's budget offering.

It will also identify and implement operational synergies and has an initial exclusive term of five years.

The deal sparked strong investor interest with shares up about 70% to an intraday high of 80 cents.

"Delivering important benefits"

Marley Spoon chief executive officer Fabian Siegel said: "The partnership and investment by Woolworths provides validation that home-delivered meal kits is a growing segment and can complement the traditional supermarket online offering.

"As grocery spending shifts to online, home-delivered meal kits will play an increasingly large role in helping customers create healthy weeknight meals and save time.

"We see this partnership delivering important benefits to both Marley Spoon and Woolworths with both parties incentivised to grow Marley Spoon's business in Australia.

"The opportunity to improve both our top-line growth, and our contribution margin, along with the injection of further capital, will support the company in its transition to profitability."

Issue of shares

Marley Spoon will issue 8,200 fully paid ordinary shares - 8.2 million CHESSE depository interests - over fully paid ordinary shares (CDIs) to Woolworths against a cash contribution at an issue price of 50 cents per CDI.

Woolworths will subscribe for the initial issue in cash amounting to \$4.1 million.

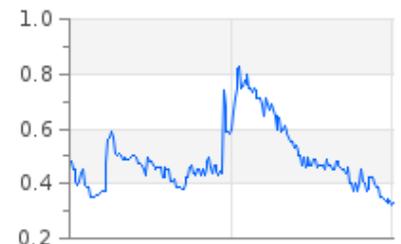
These shares/CDIs under the initial issue are expected to be issued in early June, after which Woolworths will hold approximately 5.52% of the CDIs on issue in the company.

Loan agreement

Price: 0.33

Market Cap: \$49.06 m

1 Year Share Price Graph



December 2018 June 2019 November 20

Share Information

Code: MMM

Listing: ASX

52 week High Low
0.885 0.32

Sector: Food & drink

Website: marleyspoon.com.au

Company Synopsis:

Marley Spoon AG (ASX:MMM) is listed on the Australian Securities Exchange. .

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The parties have also entered into a senior secured commercial loan agreement for \$25.95 million with the loan having a term of six months and bearing interest at an annual fixed rate of 7%.

Woolworths CEO Brad Banducci said: "This partnership gives Woolworths exposure to the high-growth read-to-cook meal kits segment and aligns with our ongoing goal of meeting our customers' needs for health and convenient meal solutions.

"Marley Spoon has demonstrated it has a customer focused, innovative and entrepreneurial culture and we are excited to partner with them," he added.

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