



Capital Markets Day

14 November 2023



Cheffelo

Capital Markets Event Agenda

- 1. Cheffelo: the big picture – *Walker Kinman, CEO***
Mealkit market dynamics, business model and strategies, customer behavior and Cheffelo's plans for profitable growth
- 2. Financials – *Erik Bergman, CFO***
Financial update, the seasonality of the business, financial outlook
- 3. Sales and marketing – *Klaus Toft Nørgaard, CCO, & Jeanette Agertoft, Nordic Marketing Manager***
Cheffelo's brand and marketing strategy, Nordic efficiencies, customer acquisition and retention.
- 4. Creating Epic customer experiences with food and recipes – *Claes Stenfeldt, CSCMO***
How food and recipe creation contribute to the epic customer experience.
- 5. 100% Customer Unique Production – *Vibeke Amundsen, COO***
How mealkits are produced and how efficient flexible packing and a broad Nordic distribution network are supported by Operational excellence.
- 6. The secret sauce: Tech - *Anton Nytorp, CTO***
Purpose-built platform enabling personalized mealkits at scale and enabling profitable growth through data and analytics
- 7. Q&A**





Cheffelo in brief

- Founded in 2008
- A profitable leading supplier of mealkits in the Nordic region and a leader in Scandinavian foodtech
- Operations in Sweden, Norway and Denmark
- Listed on Nasdaq First North Premier Growth Market in March 2021 (ticker: **CHEF**)

~**17** million meals delivered in 2022

~**1.1** billion SEK in Net sales

~**73** thousand active customers

~**85%** Scandinavian household reach



Introducing our corporate brand - Cheffelo

- New corporate brand:
 - that represents what we do and who we are
 - that's memorable and unique
 - replacing "LMK Group"
- We will create a strong employer brand which:
 - forms a common identity
 - creates internal engagement and pride
 - helps to attract and retain talent
- Strong local consumer brands remain

Cheffelo

LiNAS **Godt Levert**
RETNEMT **Adams.**



Mealkits solving an everyday problem

Must: EAT!

Want to:

- cook your own meals and eat at home together
- enjoy a variety of inspiring and nutritious food
- spend wisely, don't over-consume

However:

- limited time and inspiration to plan and shop for groceries
- limited knowledge about nutrition and cooking

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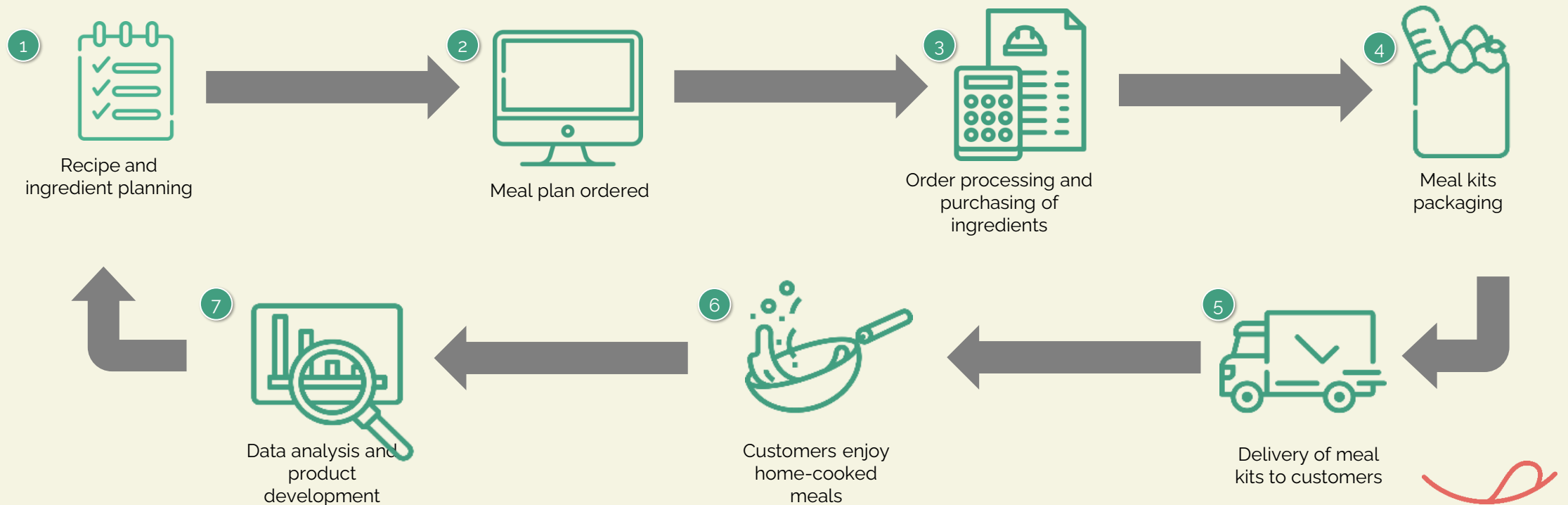
Mealkits:

- Convenient and time-saving
- Personalization, variety and flexibility
- Good cooking experience
- Nutritionally well-balanced
- Minimal food-waste



The meal kit business model

- Weekly subscription service delivering recipes and ingredients to the customer's home
- Customers choose from a curated selection of balanced, nutritionally calculated recipes
- Eliminates the need to plan and shop for ingredients, saving time, and providing inspiration
- Demand-driven model with high order visibility, minimal inventory, and low food waste



Opportunity to benefit from mega trends



Increasing shift from offline to online – online penetration still limited in the Scandinavian food market, leaving headroom for growth



Increasing awareness of food-health relationship - Vegetarianism, Humanitarianism & Environmentalism are on the rise



The new convenience - longer working hours and an active lifestyle contribute to consumers feeling time pressure and missing out on quality moments with family



Call for sustainability - 73%¹ of consumers around the globe would "*definitely or probably change a behavior to reduce their impact on the planet*"

¹Nielsen "The database: the business of sustainability" episode 22, (2019)

Sustainability at the core of our business

- **Reducing food waste from soil to table**

- Accurate and timely forecast reducing over-production
- Purchasing only the food customers need
- Working with suppliers to increase use of odd cutting details
- Minimal food waste in our own operations
3.8 grams/meal (2022)
- Teaching customers to cook without creating food waste

- **Working across the value chain**

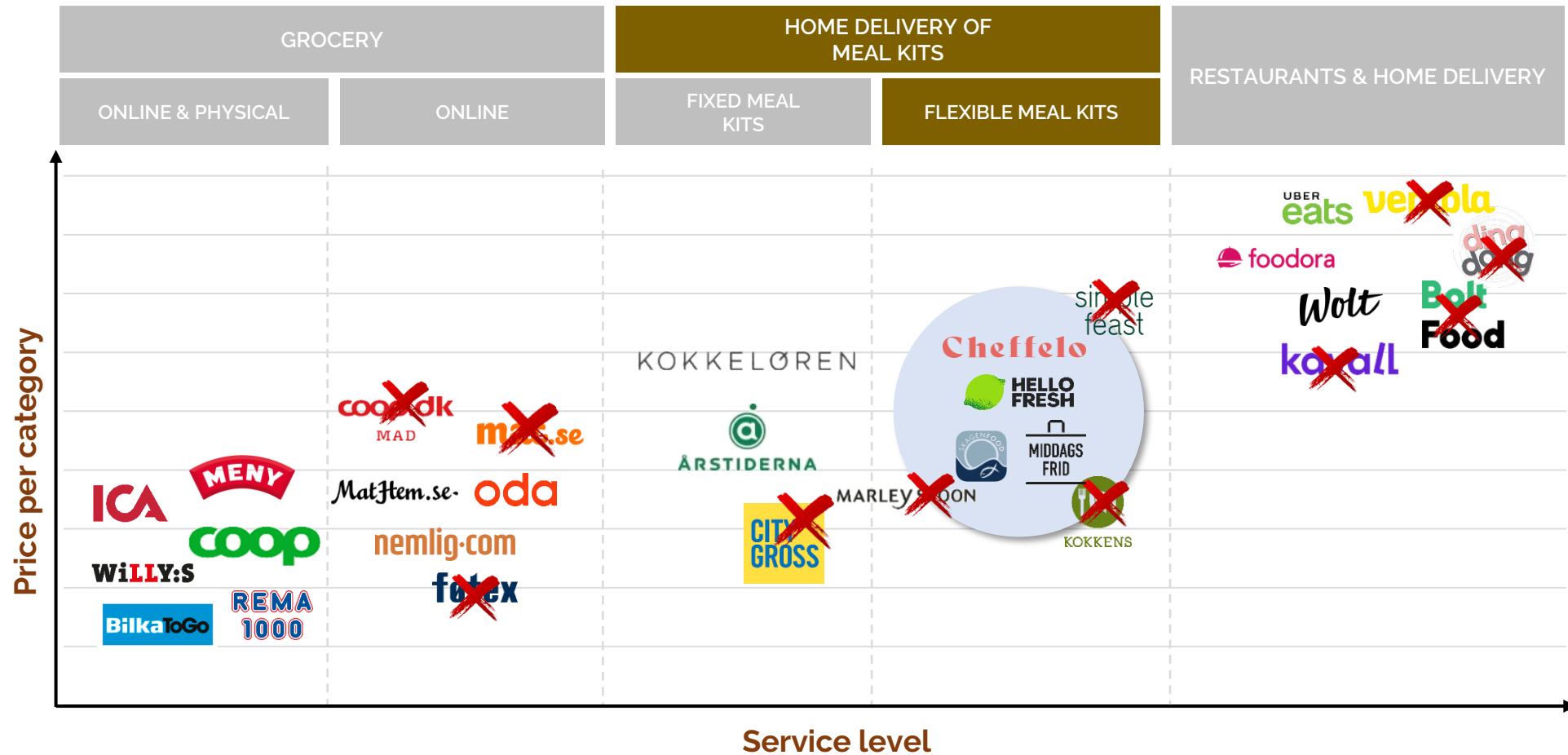
- Local meat and dairy, engaging in animal welfare
- Climate-calculated recipes on trial in Sweden
- Reducing unnecessary packaging materials
- Working with transport providers on route optimization, fill-rates and increasing the use of renewable energy sources

Focus areas connected to the UN Sustainable Development Goals

Food waste	
Food products	  
Resource consumption	 
Health	
Social responsibility	 

The (expanded) Dinner Landscape

Many competitors but difficult for any one player to cover the spectrum

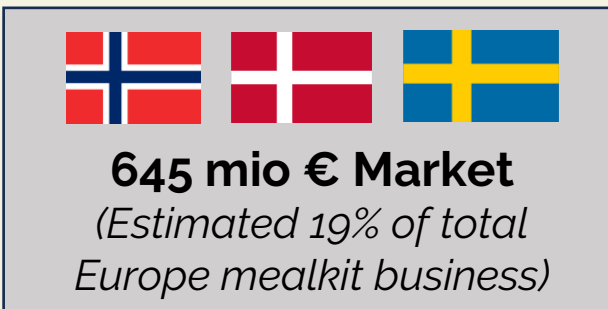


Cost of capital driving consolidation through bankruptcy and market exits

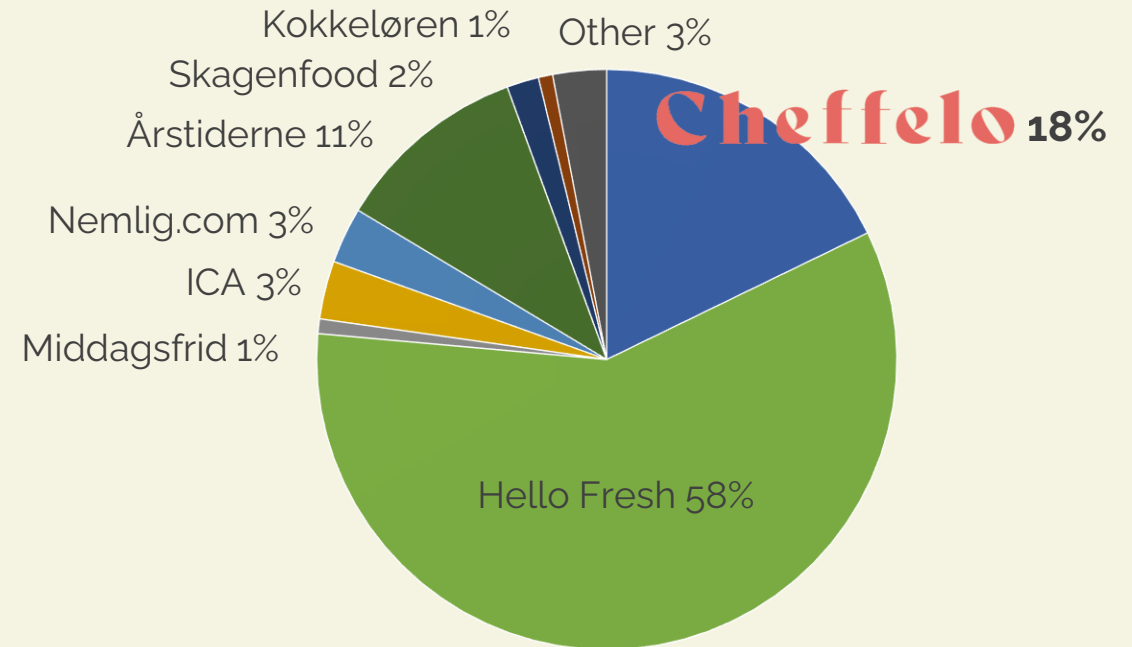
Cheffelo, a pioneer and leader in the Nordic mealkit market

Strong number 2 position in the attractive Nordic market:

- Strong brand assets
- Most personalized
- Local profile
- Growing
- Profitable

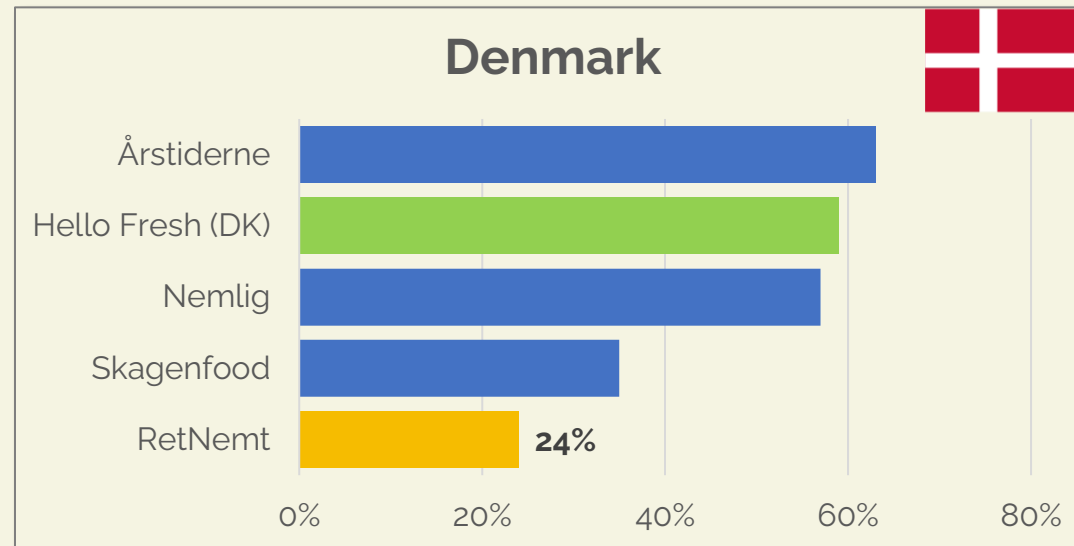
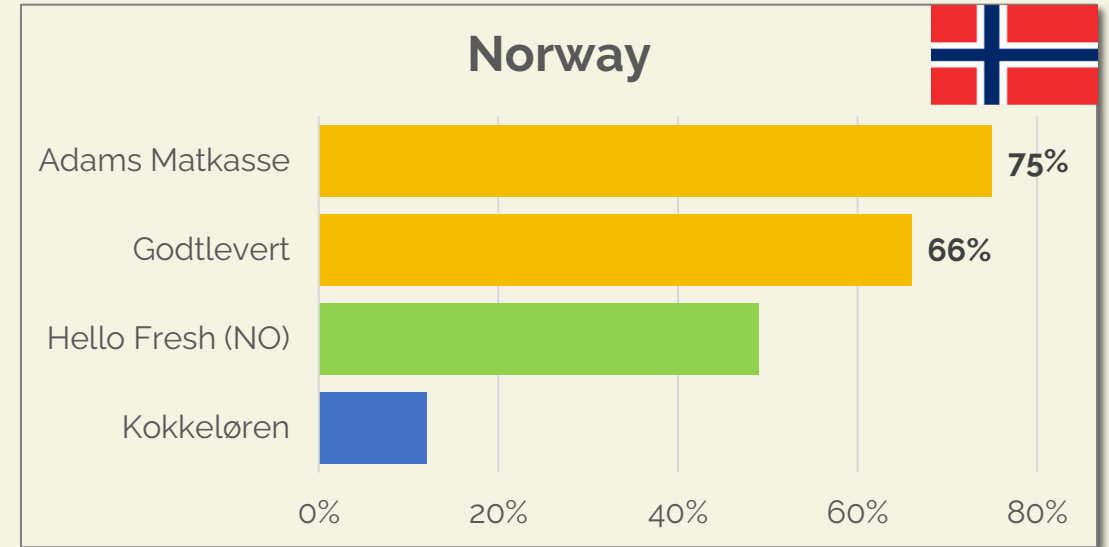
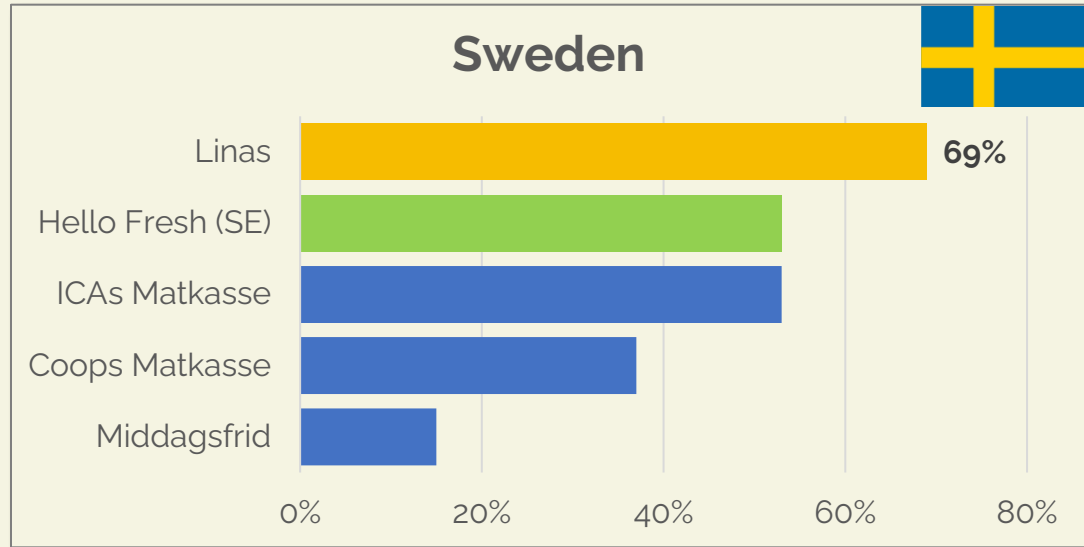


**Estimated Nordic market shares
"Mealkits"**

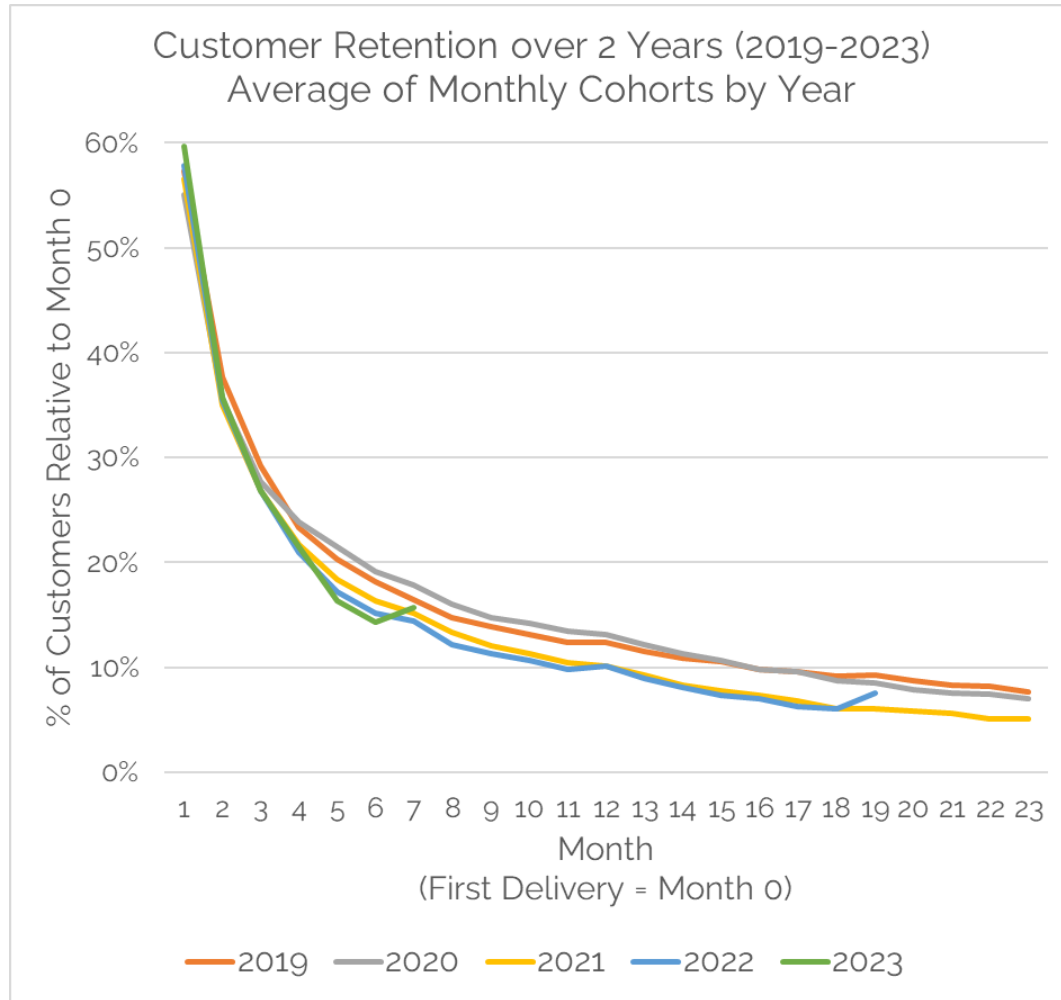


Strong brand assets help in driving digital marketing

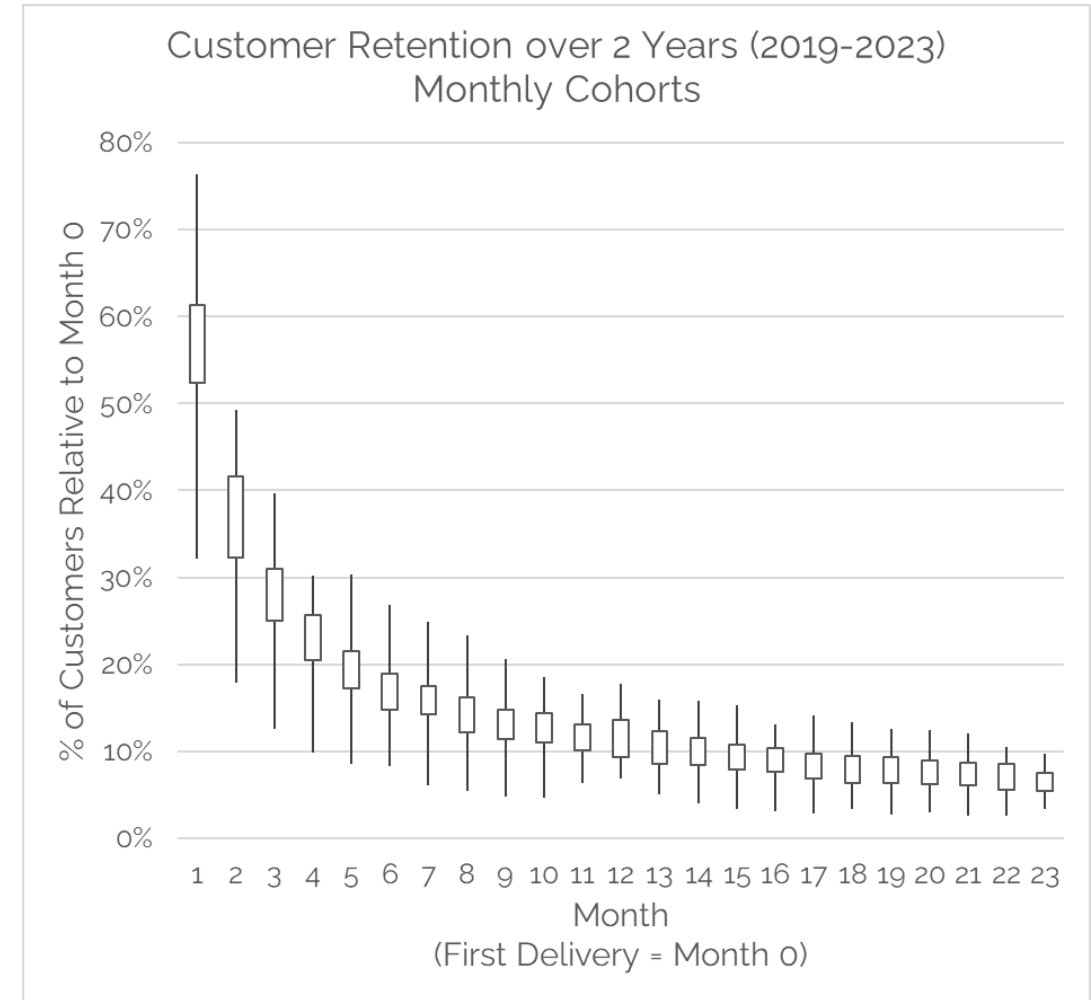
(Aided brand awareness for meal kits)



Customer retention means “long-tail” customer relationships

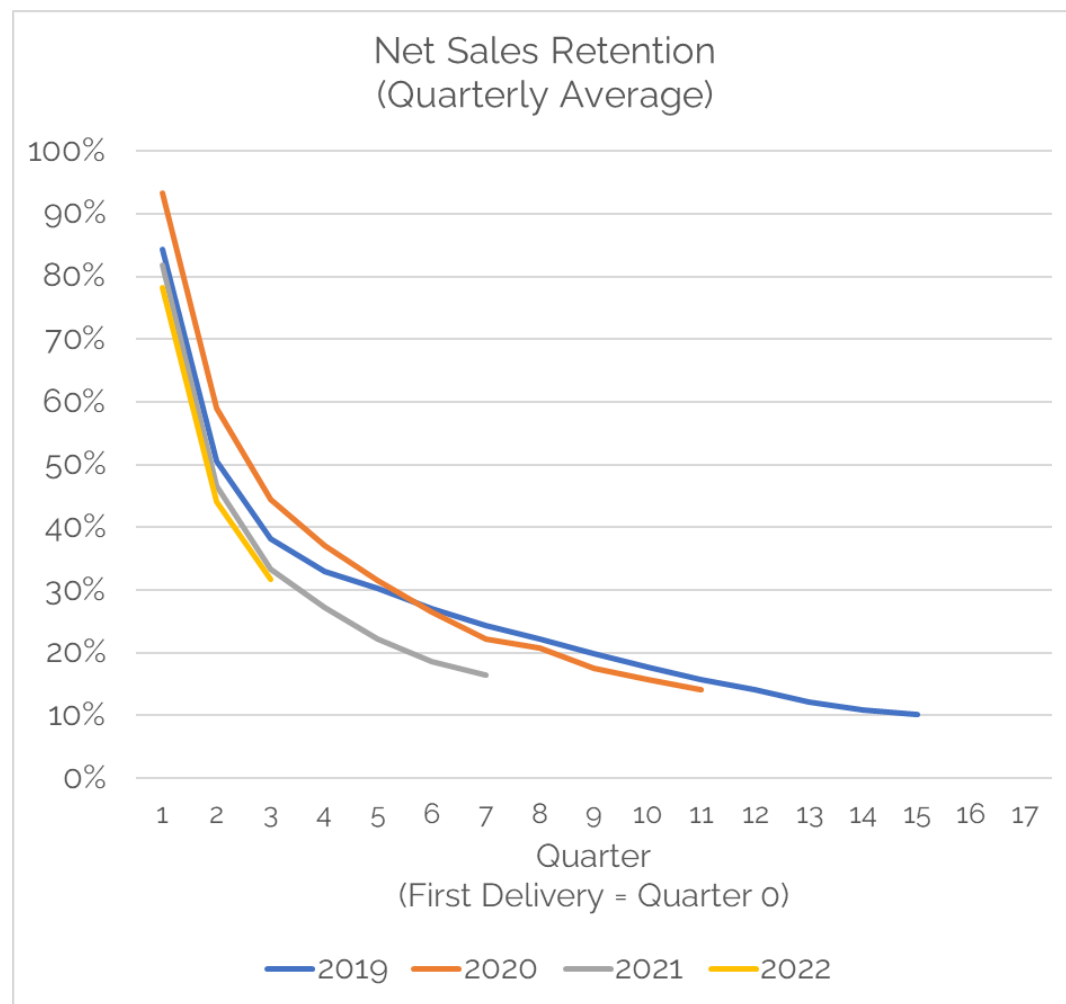


Each line represents the percentage of customers receiving at least one delivery in month n in comparison to all customers that received a delivery in the first month (Month 0). Each yearly cohort is based on a simple average of the 12 grouped months for each year. For newer cohorts (2022-2023) the averages for the last 12 months of the line will have successively fewer data points reaching only one data point at the end of the line.



Vertical boxes and lines in the diagram represents the distribution of data points for all monthly cohorts from Jan 2019 after n number of Months since first delivery. 50% of data points are represented in the vertical rectangle while 25% of are represented in the upper and lower lines, respectively.

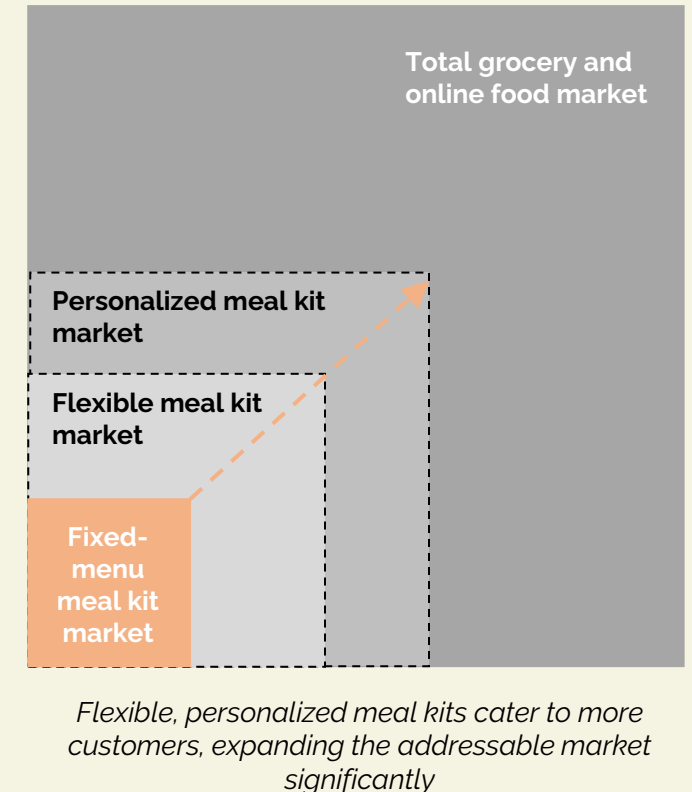
Group revenue retention (all brands)



- High value customers have long-tail relationships and purchase more frequently
- This behavior drives a higher revenue retention curve vs customer retention
- While 2019 and 2020 have a positive bias, 2021 has a negative bias due to high post pandemic churn
- Long term customer relationships play an important role in current revenue generation and profitability

Each line represents an unweighted average of the Net sales by cohorts for a given year compared to their initial starting quarter (quarter 0). Customers are grouped by the quarter of their first delivery and revenue is measure in each subsequent quarter relative to the first. These percentages are then averaged for each year based on the number of quarters after first delivery for each group and plotted in the graph.

Growth potential driven by three key levers



+ **Dinner table as a marketplace** – expand access of third-party brands to Cheffelo as marketing platform to interact directly with customers, lowering our COGS and providing additional value to customers/suppliers

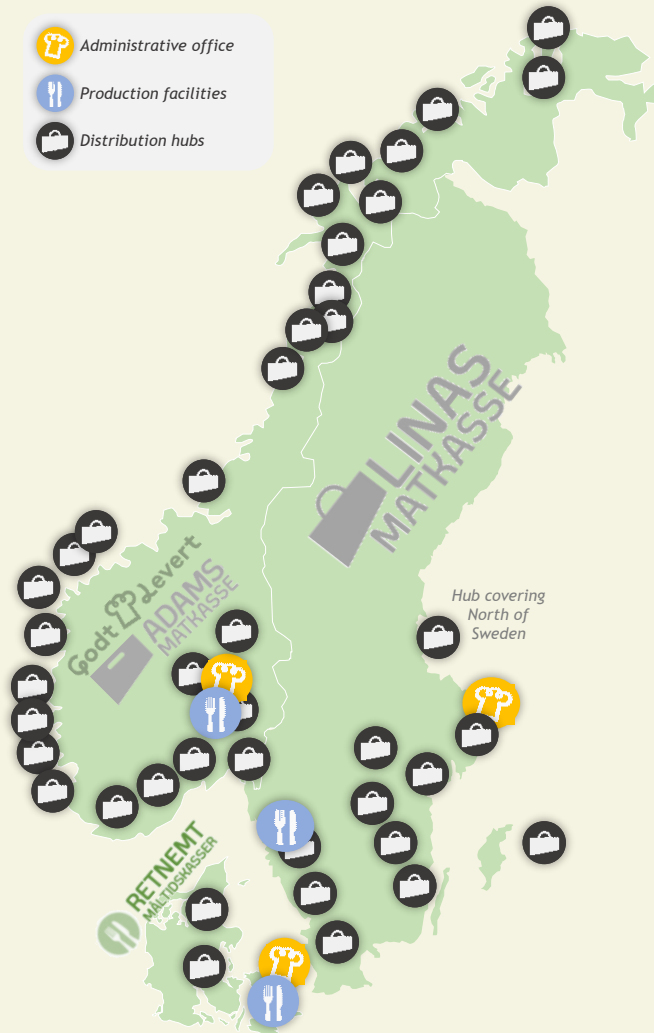
From static, to flexible and personalized

Personalization of the mealkit hard to copy and drives differentiation in a crowded market

				
				
Recipes	85	60	80	60
Portion sizes	1,2,4,6	2,4,6	2,4,6	2,3,4,6
Order cut-off deadline	Tues 23:59	Tues 23:59	Tues 23:59	Thur 23:59
Delivery days	Sun, Mon	Sun, Mon	Sun, Mon	Sun, Mon, Tue
# of Delivery options (urban customers)	2-3	2-3	2-3	2-4
AI selection engine with preferences	Yes	Yes	Yes	Yes
AI recipe recommendations	Yes	Yes	Yes	Yes

Transition to 100% customer unique production supports offering flexibility, and personalization

A scalable operational platform

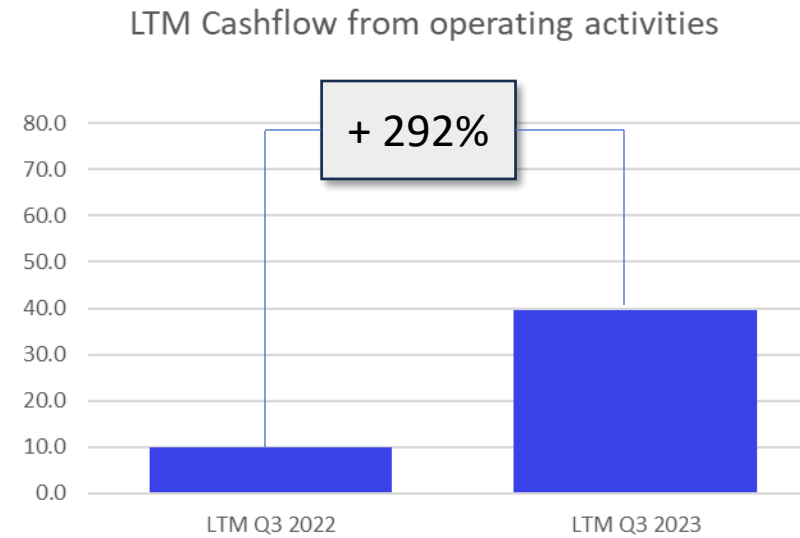
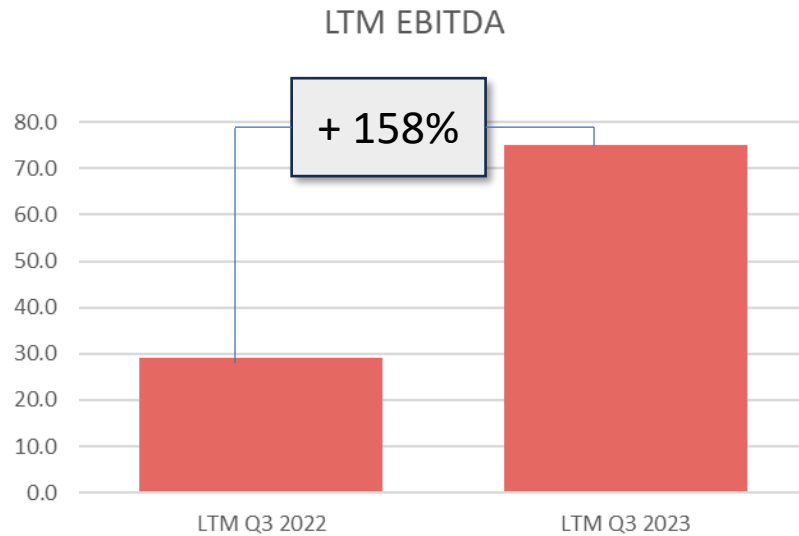


- Proven model providing scalability, high accuracy and low customer complaints
- Integrated operations across Sweden, Norway and Denmark
- Complex operational demands and required know-how generate high barriers to entry
- State-of-the-art technical infrastructure and self-deployed fulfilment technology
- Hard-to-replicate Nordic procurement network with 100+ high-end suppliers
- Line-haul and last-mile distribution fully outsourced to third party providers



Erik

Delivered on EBITDA profitability and positive cashflow



LTM Q3 2023: Oct 2022 – Sep 2023
LTM Q3 2022: Oct 2021 – Sep 2022

3 Key factors for being on top of profitability

1

Control of unit economics

*Improved Contribution margin %
(LTM Q3'2023 vs Q3'2022)*

+5.7 pp

*Contribution margin %
(LTM Q3'2023)*

30.2%

2

Efficiency in marketing

*Reduced CAC
(LTM Q3'2023 vs Q3'2022)*

-17.5%

*Managed Sales and Marketing expenses
(LTM Q3'2023)*

12.8%**

% of Net Sales

3

Disciplined approach to OPEX

*Reduced cost in central functions
(LTM Q3'2023 vs Q3'2022)*

-17.8%

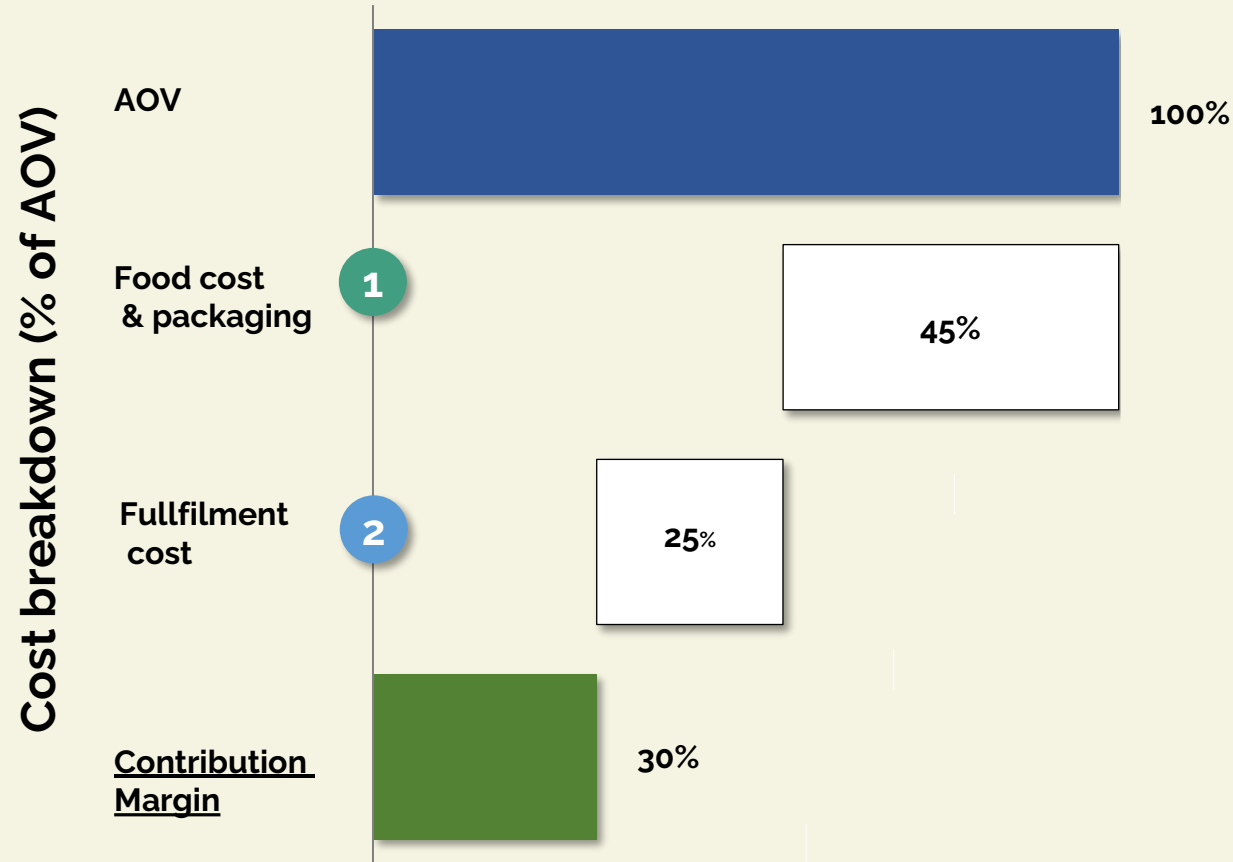
* Contribution margin will be managed around 30%

** Sales and Marketing expenses may be increase depending on investments performance

LTM Q3 2023: Oct 2022 – Sep 2023

LTM Q3 2022: Oct 2021 – Sep 2022

Key Drivers to an efficient contribution margin



Food cost & packaging

1

- Efficient handling of each meals margin criteria
- Efficient coordination of weekly meal plans to minimise inventory and cater for seasonal variations
- Ordering on demand gives low food waste
- Attractive supplier terms leveraging large quantities

2

Fullfilment cost

- Production technologies that allow for efficient and flexible production processes
- In-house production securing consistent high efficiency and high quality
- Hand-picked logistics partners ensuring cost-efficient deliveries

3 Factors behind our strong cash conversion



1

Unit economics & Margins

Contribution margin per delivery
(LTM Q3'2023)

260 SEK

AEBITDA margin
(LTM Q3'2023)

7.6%

2

Light CAPEX model

1.4%
CAPEX as % of Net Sales
LTM Q3 2023

3

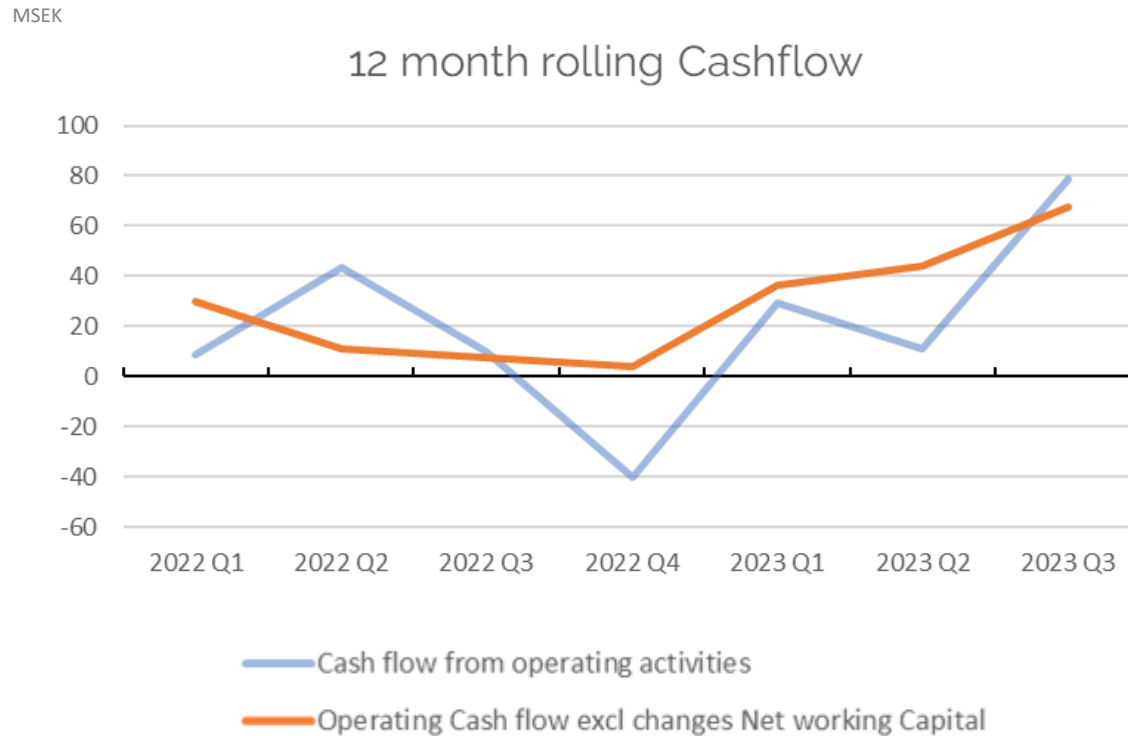
Negative working capital

No structural debt
except IFRS 16 leases

Negative working capital

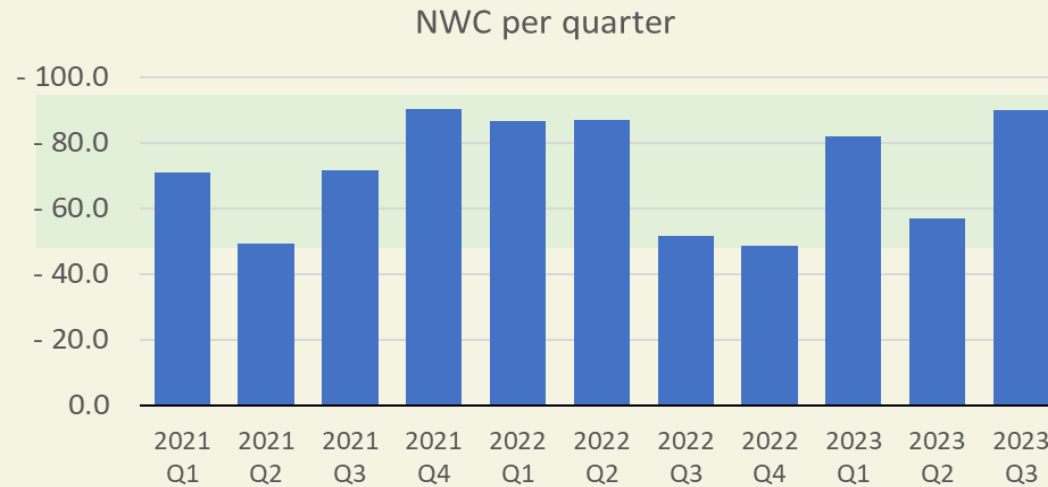
-6.7%
Working Capital as % of Net
Sales LTM Q3 2023

Solid cashflow



- Generated a positive cash flow from operating activities excluding changes in Net working capital
- Changes in Net working capital have a large effect on the cashflow

Annual Working Capital Cycle



1

Trade Payables

Follows seasonal cycles

Timing of supplier payments

2

Accounts receivables

Dependent on last weekday of the quarter



Looking forward

- Expect to see single digit revenue growth continuing in Q4 and on into 2024.
- Notice that AOV will not have the same push from price adjustments going forward, as the last price adjustments was made late 2022.
- We expect to see contribution margins around 30% on an annual basis
- Sales and marketing expenses are expected to be 13% in 2023

Walker





Financial Targets and Near-Term Priorities Communicated early 2023

Stabilization of revenue development in 2023

- Profitable and self-financing ✓
- Stabilizing and profitably growing volumes ✓
- Must-Win-Battles:
 - Increase Marketing Excellence ✓
 - Cultivate EPIC Customer Experiences ✓
 - Increasing volumes in Denmark ✓

Long-term profitable growth

- Net Sales CAGR of 6-8% thereafter
- EBIT margin approx. 4-6%

Long-term targets remain valid

Focus on 2 must-win-battles to drive profitable growth



Increase Marketing Excellence

- Sharpen value proposition across markets
- Optimization of performance marketing / social selling channels
- Continued development of partnership channels



Cultivate Epic Customer Experiences

- Transition to fully personalized subscription
- Improve the “non-taste” kitchen experience
- Rollout the next level customer care program
- Expand the sales capability of Add-ons & Groceries
- Strengthen our operational excellence performance

Jeanette



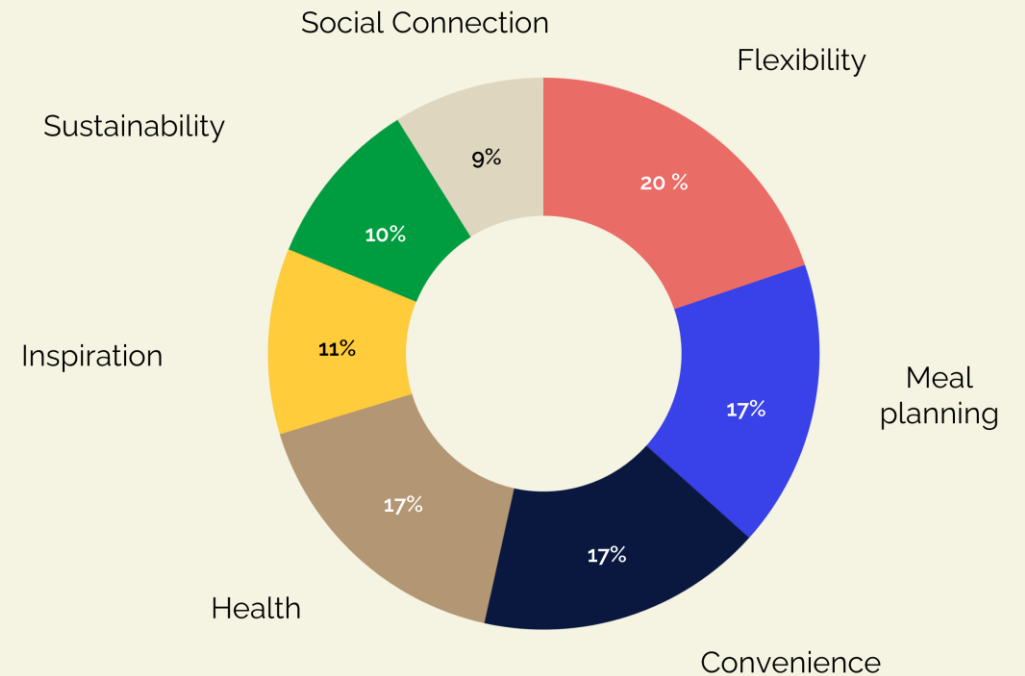
We don't sell food

We sell meals that unite families



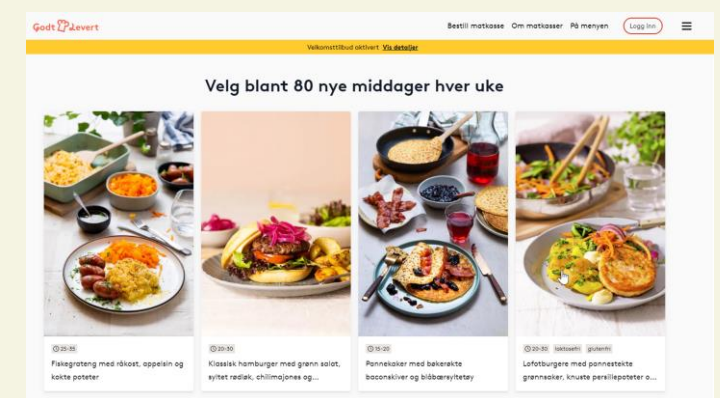
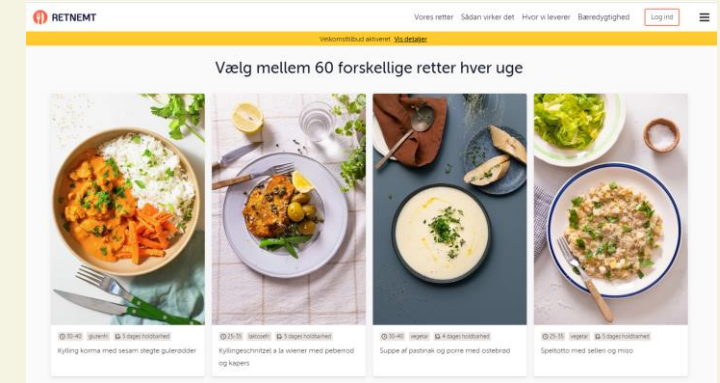
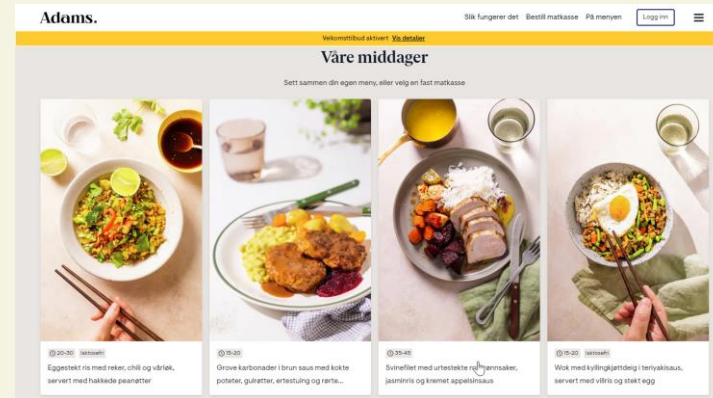
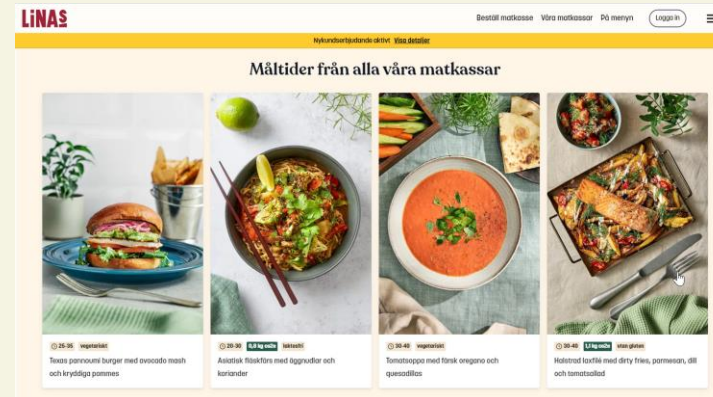
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Mealkit category drivers



Consumers want personalized services

- Largest selection of dishes - new dishes added each week
- The right meals personalized for our customers' family's needs:
 - classic, inspirational, child-friendly, vegetarian, gluten-free, quick preparation, etc
- A common value proposition across the markets to drive higher efficiency in acquiring and retaining customers



Strong local brands & growing



Price positioning:

+ Middle mass market

Upper mass market

Brand positioning:

An easy way in a hectic life to enjoy varied home cooked dinners for all **my family's** taste and choice.

We make it easy for **you** to make and enjoy amazing meals at home

Pay off:

Ett Godare Liv med Lina's

Flere muligheder – mere madglæde

Der er GODT å spise middag sammen!

Imponerende mat, imponerende enkelt

17 mio meals in 2022

Value proposition

Meals that unite families

The experience we sell

It doesn't matter how my day has been, there are things that I need and enjoy having in my life. With flexible mealkits from Cheffelo I know my family finds what we need and like to be able to sit, talk and eat great tasting meals together so stress is left out for this important time of the day.

Meals unite us and gives us all a better life.



The Product & Service we deliver

Your choice: Our personalized service for meal planning & shopping serve your specific needs in a simple way.

Personalization.



Your taste: With our broad selection of good everyday dishes there is a large choice supporting your family needs.

Variation.

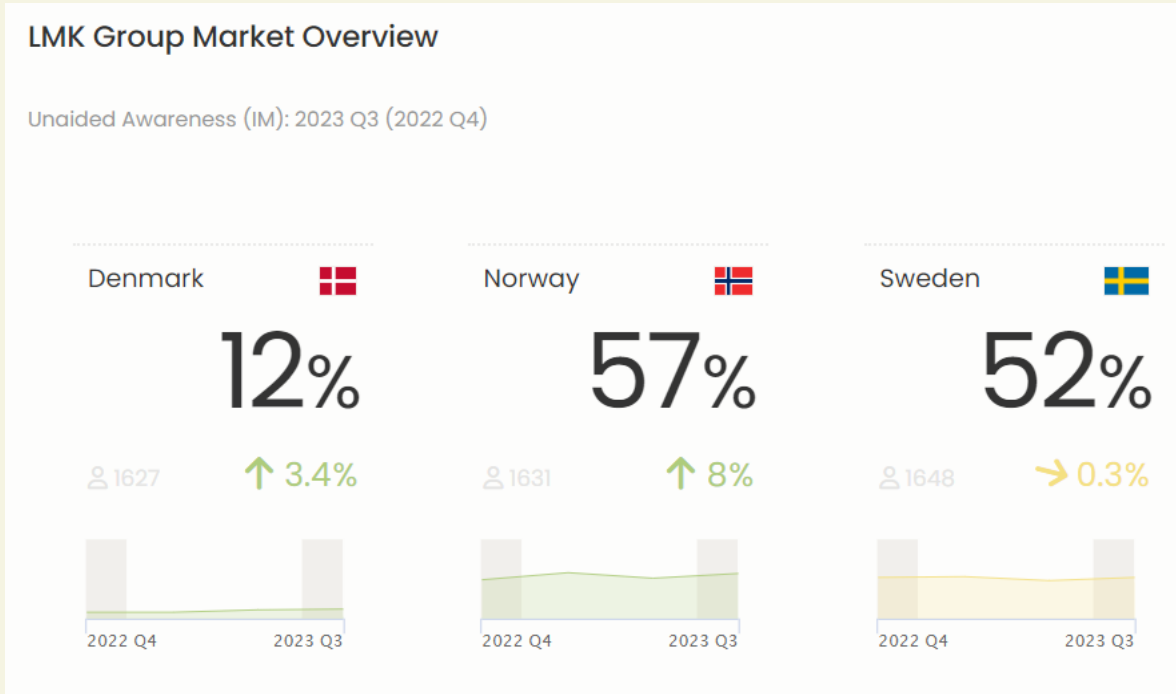


We are gathering around a common value proposition and are preparing for a common communication platform to increase efficiency in content development, while still keeping the strong local brand names.

Cheffelo



Increasing unaided awareness



- Cheffelo's brands have the strongest unaided awareness across the markets.
- We continue to build strong brand equity and high awareness

Double-digit growth in customer acquisition

Index new customers
total Nordic



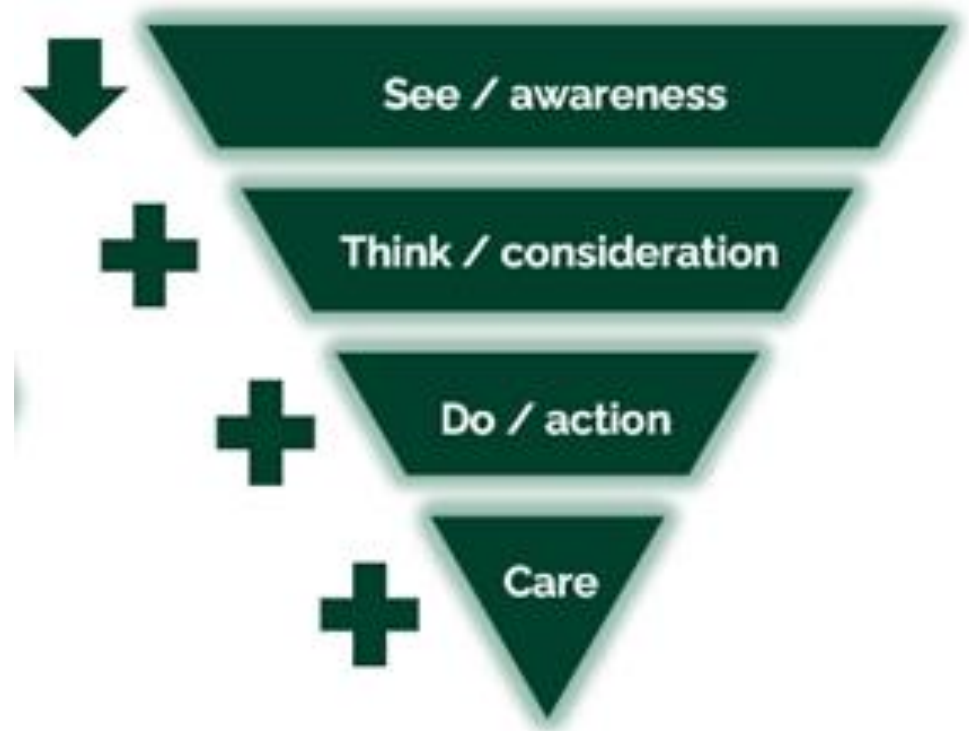
We have increased efficiency in our investments and therefore reduced Customer Acquisition Cost (CAC)

Klaus



Efficient customer acquisition throughout the funnel

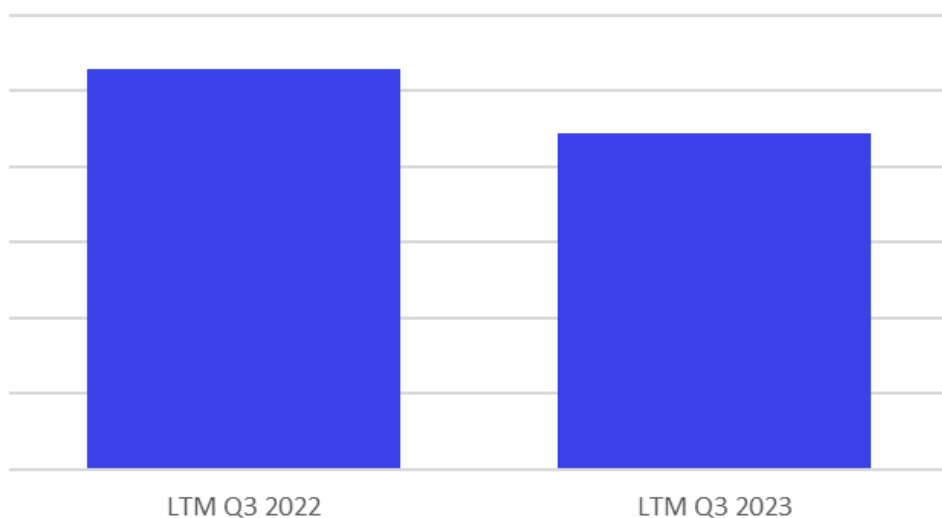
- We utilize the strengths and strong positions of our consumer brands to attract good customers with a high customer lifetime value at a lower cost
- We constantly optimize our activities and allocation in the marketing funnel
- 60% of our spending is in the upper funnel building brand preference and consideration while the remaining is spent in acquiring new customers with relevant offers.



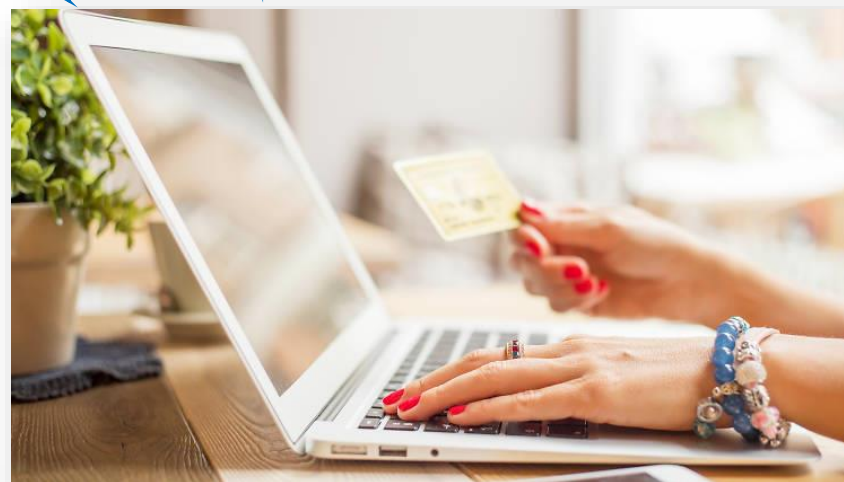
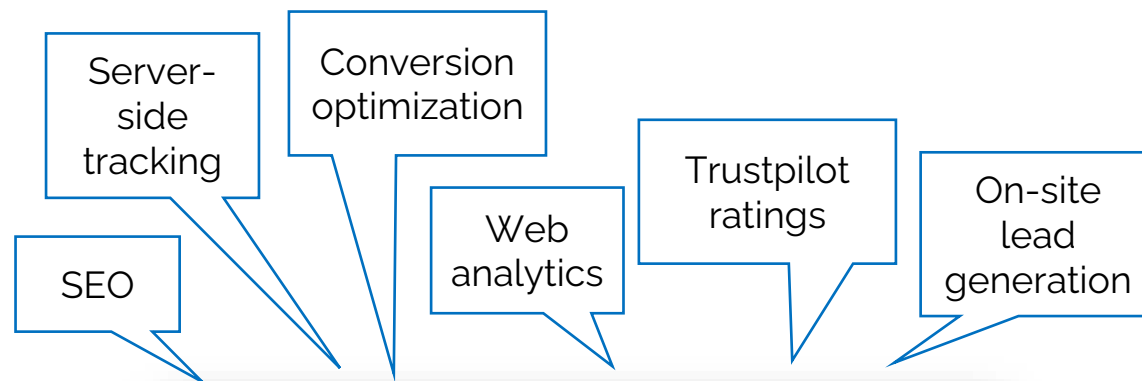
Reduced customer acquisition cost

- Numerous changes and developments from which we now see the very clear effect in terms of reduced customer acquisition cost

Customer Acquisition Cost



- Improving the foundation: enablers and enhancers





Improving Marketing Excellence: A Must-Win-Battle

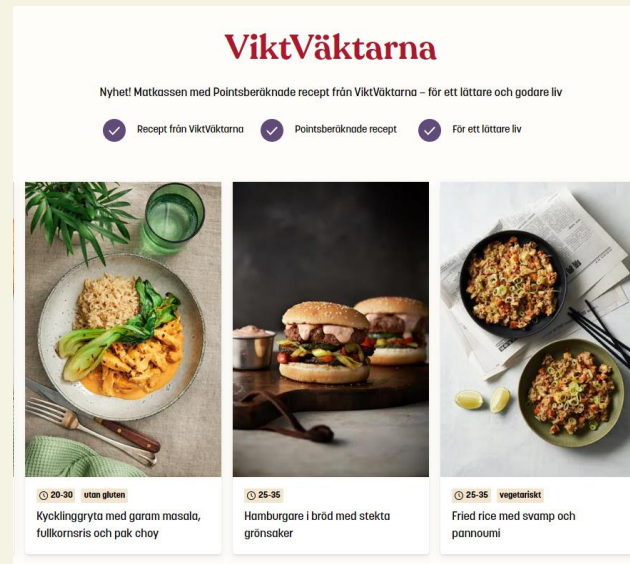
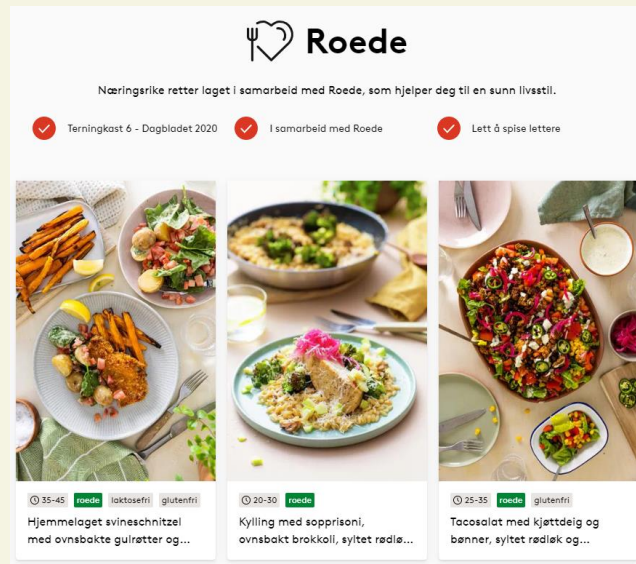
Customer acquisitions Q3 47% higher vs. same period last year while we reduced customer acquisition cost by 30% and Sales and marketing expenses only increased by 2.9%.

Some examples of how we have done it:

- Increased our online visibility driving more organic traffic
- Initiatives in the mid and lower funnel (performance marketing)
- Optimizing paid search and social media advertising
- Creating and testing more efficient advertising
- Teamed up with direct affiliates as well as affiliate hubs, extending our reach in a cost-efficient way
- Increased social selling efforts through more influencer marketing, social media including platforms like TikTok
- Optimized composition of discounts to attract profitable subscribers

Achieving marketing excellence by teaming up

- Upgraded tell-a-friend ambassador programmes with incentives for both customers and our ambassadors
- Partnerships: WeightWatchers (SE) Roede (NO)
- Affiliated partnerships give cost efficient additional traffic, leads and sales





Customer care for improved retention

- AI driven churn prediction and churn prevention program
- True loyalty program honoring loyal subscribers
- 'We-love-you-calls' reducing early churn and improving CLV
- Happy customers = long term growth and profitability 😊

Claes





Key factor for customer retention: the food

We started with fixed meal kits to now have a fully flexible and customer unique subscription that always delivers according to the customers' preferences

In our business model there is no limitation to number of recipes/week: we offer 285 recipes weekly in our 4 brands – this is the largest selection of recipes in the meal kit category

In a menu cycle we use between 250-300 ingredients, maintaining efficient procurement and ingredient handling

Forecasting is based on data and tracking customer behaviour.

Offering customers choice and variation and that our recommendations are based on customer preference is essential to customer satisfaction, retention and healthy order value



The kitchen experience

- We aim to deliver epic customer experiences.
- The kitchen experience includes the “non-taste” elements as well:
 - how we pack the box
 - the ingredients
 - how easy it is to prepare the food
 - how long time it takes
 - the number of steps to make the dish
 - the cleaning up afterwards
- And the most important factor: the meal itself!

Ingredients & procurement: we work differently

- Our way of working is different from e-commerce and retail:
- We order on demand after customers have locked their orders
- Almost zero inventory and extremely low food waste
- Food waste is also reduced at the producer, who produce what we need and nothing else
- We work with suppliers who can develop tailor-made ingredients for our meal kits which are:
 - ideal for packing
 - contain exact portion sizes
 - best prices
 - minimum waste
 - unique taste
 - not available in stores: unique experience
- Customized packaging solutions: saving on plastic and optimising deliveries to production



Sustainability focus at Cheffelo

Our sustainability
approach

Environmental focus areas



Food waste



Logistic/
transport



Ingredients



Meal planning



Packaging

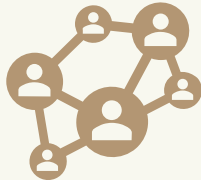


Climate change

Social focus areas



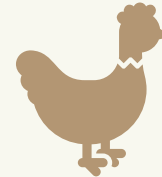
Customer health



Local CSR



Responsible
employer



Animal welfare

Ingredients & procurement: efficiency and profitability

- Working with Nordic procurement while staying locally relevant
- The aim is high quality, tailor-made products at a competitive price.
- New in 2023: One supplier of vegetables for Sweden and Denmark
- Ongoing tenders for additional four categories this year
- Nordic tenders continue to be a focus area coming years with the aim to find even more synergies over our markets and brands



Vibeke





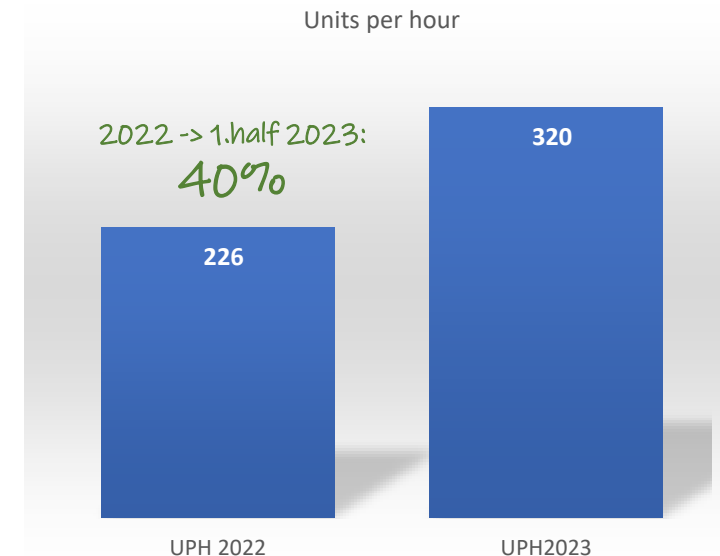
100% Customer unique production

- 100% personalized production process in all our facilities since the start of 2022:
 - 3 lines in Norway, 2 in Sweden and 1 in Denmark
- Investment of SEK 25 million to get common, effective and flexible processes – enabling us to make the shift from fixed meal kits to 100% customer unique.
- The investment made through inhouse development, and is capital light, based on the effect and functionality it gives us.
- With the investments done, we can increase our capacity with up to 100% with only adding more working hours



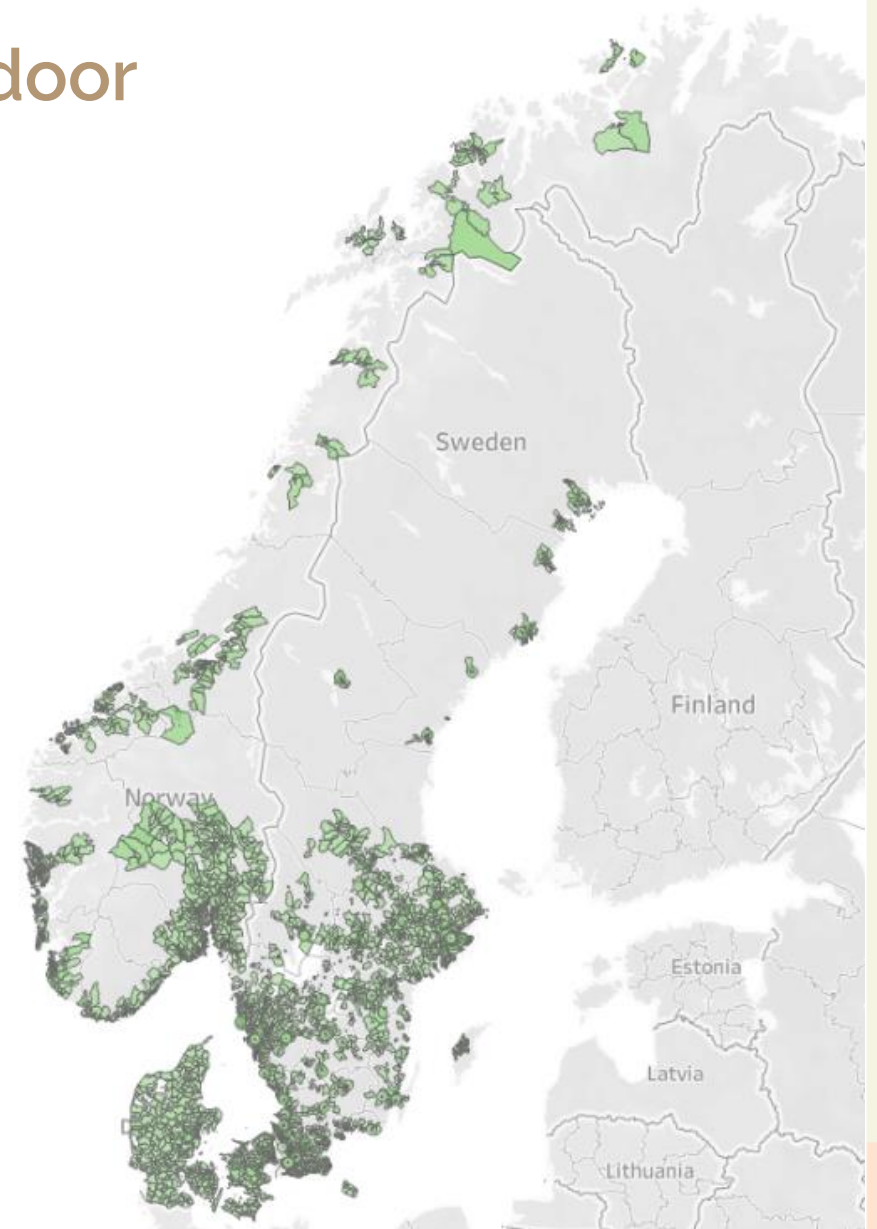
Production efficiency

- Pick-to-light and good optimization of ingredients enables production of more than 400 boxes an hour/line.
- Measuring all-in productivity in Units per Production Hour we have increased our productivity in 2023 compared to 2022 with 40%, packing more than 300 units per hour.
- Solid production processes ensure low and stable fulfillment cost



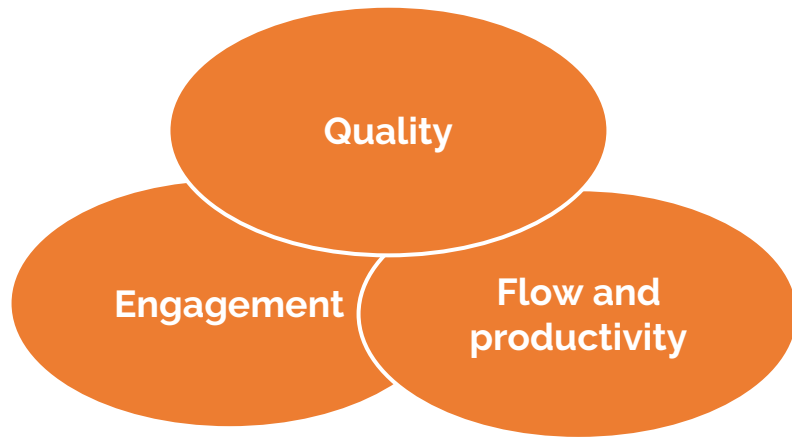
Delivering the mealkits to the customers' door

- Improved flexibility of the logistic offering during 2023
 - Urban customers can choose between 2 or 3 delivery time-slots
 - Deliveries concentrated to Saturdays, Sundays and Mondays – the service is for everyday meals, customers prefer delivery of the meal kit early in the week.
- Household reach: 85% in Norway and Sweden, almost 100% in Denmark
- Expanded cooperation with Gordon - customers in Norway and Sweden to get delivery information through their platform, letting them track their delivery live
- Last mile cooled transports eliminating usage of ice in the boxes, saving the production and delivery of 180 tons of water in Sweden alone in a year (Our main carrier uses cooled transport in Sweden and during 2024 we will also do this in parts of Norway)
- New calculation for adaption of box sizes saving 20 tons of cardboard/year in Sweden and Norway



Operational Excellence

Take care – be safe



- ✓ Deliver as promised
- ✓ Satisfied customers
- ✓ Right Cost

We take pride in what we do

We challenge the status quo

We are better together

Health & Safety

- Food safety is our priority #1
 - No customer shall have adverse health reaction
 - We focus on right temperature, cleanliness and quality control
 - Award winning customers service and good quality on deliveries
- Safety of our workforce
 - Permanent contracts
 - Predictability, experience to perform with good engagement, quality, safety and productivity
 - Strong employee engagement



Anton



The secret sauce – a purpose-built platform

- Technology – a core differentiator crucial to our success
- The platform powers our 4 brands, including systems for menu planning, purchasing, inventory, production and logistics, customer handling, subscription engine
- Another core part of our technology stack is the data and analytics platform, where we gather all transactional, customer, and product data
- As the mealkit subscription business isn't like other ecommerce businesses, we have developed our own solutions, including e-commerce front end
- The sophistication, and historical investment makes technology a barrier to entry for new entrants



In-house development makes us agile



- Nobody knows mealkits like we do
- We build what is core for us, what is unique and what is not readily available on the market, such as core meal kit functionality (menu planning, etc.)
- Other tools, which are available as SaaS tools, we buy off-the-shelves and integrate, like a CRM system
- What we lack in scale, we make up for in speed and agility
- We are focused on Nordic customers, developing one solution deploying it on all markets
- Our approach gives a flexibility, freedom to innovate and control of our data



Data & analytics – our largest focus area for technology investments

Throughout the last several years, we have been:

- ✔ Building a team of data analysts, data scientists, ML & Data Engineers
- ✔ Building a data platform with all operational and customer data
- ✔ Establish common practices for building data and ML products
- ✔ Creating a data-driven culture throughout the entire organization



Data & analytics fuel our core business

Selected ML&AI use cases:



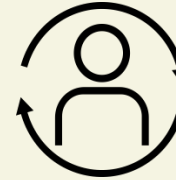
Demand forecasting



Personalization & relevance



Picking line optimization



Churn prediction and prevention



CAC/CLV optimization



Algorithmic menu planning





Links to Cheffelo Investor Relations Information

- Investor relations: [LINK](#)
- Annual & sustainability report 2022: [LINK](#)
- Latest interim report (Q1 2023): [LINK](#)
- Cheffelo leadership team: [LINK](#)
- Cheffelo Board of Directors: [LINK](#)
- Links to our brands:

Update

LiNAS



RETNEMT
MÅLTIDSKASSER

Godt  Levert

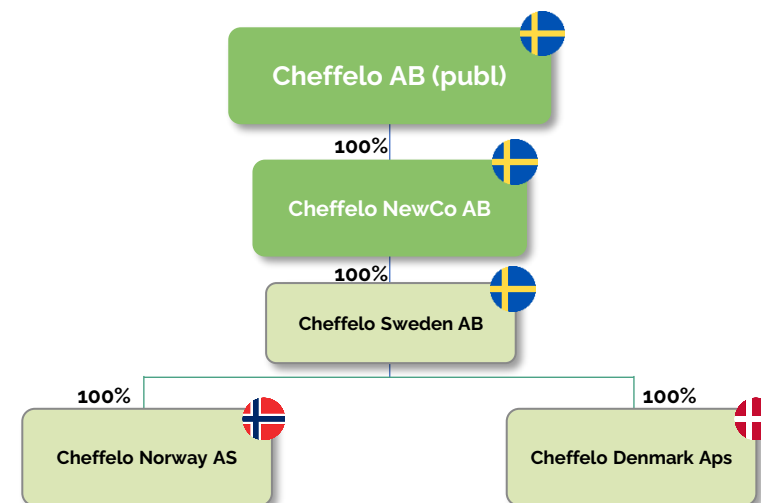
Adams matkasse.

Headquartered in Sweden with subsidiaries in Norway and Denmark

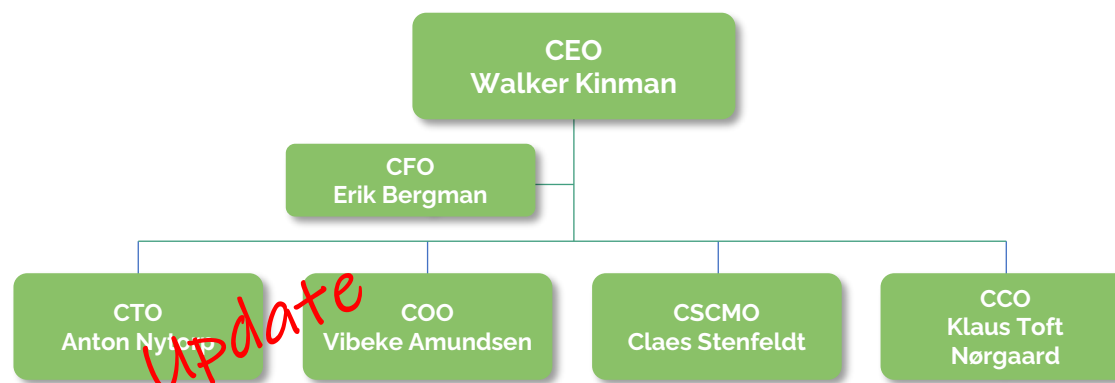
Ownership in Cheffelo AB (publ) ¹⁾

Shareholder	Ownership (%)
Petter von Hedenberg	10.2%
Niklas Aronsson	8.0%
Olle Qvarnström	5.7%
Invus	5.4%
Carolina Gebäck	5.3%
Acton	4.0%
Nordnet Pensionförsäkring	3.6%
Moneta	3.6%
Nordea småbolagsfond Sverige	3.5%
Försäkringsaktiebolaget Avanza Pension	3.3%
Other shareholders	47.5%
Total	100.0%
Total Shares Outstanding	12,678,592

Update

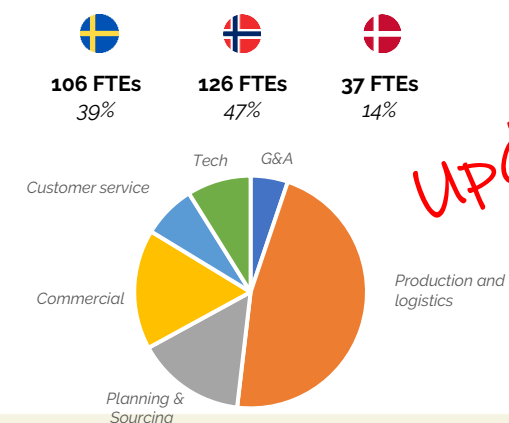


Cheffelo has 269 dedicated FTE professionals in Scandinavia ¹⁾



Update

Total 269 FTEs ¹⁾



Update

¹⁾ As of September 30, 2023

Cheffelo

LiNAS

Godt  Levert



RETNEMT

Adams.



Slide Graveyard