Parsley Box Group Ltd
Orchard Brae House
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1 March 2024

Dear Shareholder

Shareholder Update <PURN >

It has been just over a year since the company delisted from AIM and we wanted to give you an update on our progress.

The business was historically primarily focused on growing our customer base and investing in the future value of the acquired customers. It became apparent in 2022 that the funding available to consumer businesses in both the private and public markets had changed, and investors were focusing on profitable business growth.

We therefore took the decision to change our strategy in 2023 to strengthen the underlying economics of the business in several ways.

Firstly, we made the decision to remove our chilled products from the range due to cost pressures, wastage, and increased fulfilment costs, and instead focus on our ambient range. This range has key advantages in our market, allowing customers to have an easy to prepare meal to hand at any time. To manage the inflationary pressures throughout our supply chain from raw materials to packaging, and labour, we implemented a small retail price increase in Q2 2023 and introduced a minimum order value to ensure all existing customer orders were profitable. We also phased out our customer loyalty program, allowing customers to redeem outstanding balances from April, before closing the scheme at the end of the year.

These changes significantly increased our average order values from 2022 to 2023, from £27 to £51 for a new customer and from £51 to £64 for a repeat customer. These increases, together with the product range rationalisation and efficiencies made in order taking and fulfilment improved gross margins from 32% to 43% year on year, despite the inflationary pressures. Marketing as a percentage of revenue also dropped from 26% in 2022 to 17% in 2023 as we focused on more efficient mailings and customer recruitment.

All this resulted in a small profit in 2023, the first annual profit for the business, and a strong turnaround from the £5.3m loss in 2022.

Whilst the business has a smaller top line and a smaller active customer base, we are now in a stable position with our eyes firmly on growth in 2024. Cash at the end of 2023 was £1.77m, enough headroom to operate the business efficiently and return the active customer database to growth in 2024, without the need for fundraising.

We also made changes to the board of directors welcoming Mark Livingstone as Executive Chair with a focus on the longer term business strategy.

I would like to thank our shareholders, staff and suppliers for the support in 2023 and we look forward to continuing to focus on long term shareholder value. To provide ongoing liquidity for our shareholders, Parsley Box Group Ltd shares will remain on the Asset Match platform in 2024, with the next quarterly auction closing on 26 March 2024.

However, as stated at the time of the delisting, the Directors continue to believe that the Company's public market valuation does not reflect the underlying potential of the business and that growth prospects are more readily accessible and managed in a private market environment. In order to support the Company's continued growth as a private company, and with a view to promoting its long-term success for the benefit of its members as a whole, we will therefore be removing public visibility of the auctions with effect from 4 March 2024. For those wishing to access details of and participate in these auctions you will be required to register on www.assetmatch.com and contact dealing@assetmatch.com with your full name and registered address to be granted access.

Shareholders are encouraged to direct any enquiries to Asset Match either by emailing dealing@assetmatch.com or alternatively by telephone on 020 7248 2788.

Going forward all shareholder information will be provided in electronic format. We will send you an email to notify you when documents are published on the Asset Match website area for Parsley Box, www.assetmatch.com. Please register your details at shareview.co.uk (see details below) to receive these notifications.

Kevin Dorren
CEO

How to register for electronic communication

Registering for electronic communication is done via Shareview, a secure internet based platform provided by our Registrar, Equiniti.

Please go to www.shareview.co.uk and follow the 'Register' link in the top right corner. You will need to enter your Shareholder Reference Number provided above, select 'electronic' as your preferred method of delivery of communications and provide an email address.

You will then receive an email each time a shareholder document is available, giving you full details of where and how to access it.